RUSSIAN WEEKLY NEWSMAGAZINE
№ 48 NOVEMBER 1992

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The day of homecoming was the happiest in her life though she was taken off the train lying on the stretcher

Bringing back truly Russian holidays

The Russian parliament has adopted new amendments to the labour code containing a list of holidays to be observed. Russians living abroad, however, have made their dissatisfaction clear as some of the holidays have nothing to do with Russian traditions. This is especially true of the anniversary of the October 1917 Revolution commemorated on November 7. As a result of it the Russians and other peoples of Russia became enslaved by the communsit regime.

For 70 years we, Russians living abroad, observed November 7 as "a day of sorrow and irreconcilability" and drew world attention to the crimes of the communsit regime by now irrefutably proved. By accepting November 7 as the anniversary of "the Great October Socialist Revolution" the Russian authorities acted as the successor to the communsit regime with all its crime against the Russian people and the whole of mankind.

That is why Russian patriots insist on an immediate revision of the list of holidays, especially November 7, from the standpoint of Russian traditions which have been passed down to us since time immemorial. After the August 1991 events (the abortive coup) much was said about the need of restoring them. It's high time to think of re-establishing holidays which reflect genuine Russian traditions, first of all Easter, and waging a broad campaign against Marxist ideology in every sphere of cultural, political, economic and public life, firstly, by removing the Lenin mummy from Red Square.

Sergei Kononov
Paris

A courageous action

The arrest of scientists for divulging information on the development of a new type of binary weapon in Russia is not only unlawful. It is an obviously disgusting act. The production of new lethal gases for offensive purposes is in flagrant contradiction with mankind's desire to ban chemical weapons completely. A new UN treaty is being drafted to prohibit the development, production, piling up and use of chemical weapons. Russia is expected to join it. There are now serious doubts that we will be allowed to. Binary weapons are one of the most horrible means of annihilating people. It was the civil duty of scientists to make the fact public that they were secretly being developed in Russia. They deserve praise for courage, not imprisonment.

Sanjiva Reddy,
student
Bombay

Betrayers or heroes?

Moscow's "binary bomb" scandal produced ambivilent feelings in me. On the one hand, I have no doubts about the scientists' good intentions when they divulged the secret about the development of new types of chemical weapons. But, on the other hand, I wonder whether they chose the best method for achieving their aim of putting an end to the "binary madness." As far as I understand, they worked in a secret institute and, as is the accepted norm in the entire world, they evidently pledged to keep silent about the work done there.

There was another, reasonable way out for them. They could have appealed to the President, the parliament and its committees, through official channels. To my mind, the security service acted quite properly and even liberally. Let's recall how harshly Israeli "colleagues" treated a nuclear scientist who decided to reveal the secrets of his country's "textile industry," their code name for nuclear production for the sake of conspiracy or by way of a joke. A stern but deserved punishment awaited that scientist.

Perhaps I am wrong. But it appears your scientists were interested not so much in the termination of dangerous research as in fame, a public scandal that would make them heroes.

Dorothy Ricci,
civil servant
Rome

A temporary setback

The Russian democrats and *New Times*, which I consider a democratic magazine, should not keep silent about facts and events unpleasant to them. I have in mind, in particular, the success of national-Communists in the Lithuanian parliamentary elections. Not only the fact of the Brazauskas party's victory but also an analysis of the motivation behind it is important news for us, foreign readers of your magazine. Is it possible that the ideals of communism have become attractive again while democratic values have faded in the eyes of Lithuanians. I think there are deeper reasons here. The main reason, in my opinion, is a serious economic crisis brought about by the cutting of Russian oil supplies, drought, the division in the Sajudis, and personal rivalry in the parliament. Considering the Lithuanian elections from this angle, one can conclude that it would be incorrect to dramatize the failure in the democratic camp. Temporary setbacks don't determine the course of history, the inmost meaning of which is advancement towards democracy and justice.

Zoltan Sugar,
politician
Budapest

Americans should first understand Russia

I think we Americans should reappraise our attitude to Russia. Here is why. Why should we peremptorily teach a country which never had private ownership comparable with that in the United States, nor developed market relations. Moreover, till now Russians do not have a clear idea of what all this means. Why should we try to persuade Russians that after some effort over several years they will live like Americans? Lastly, why advertise aid which we practically do not give anyway and the effectiveness of which is therefore practically nil? Economic reform will continue into the lifetime of several generations. This is how we should assess the processes now taking place in Russia.

Donald Plastow,
museum worker
Alabama

THE WAY I SEE IT

Drawing by Igor Levitin

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Russia's post-Seoul foreign policy: leaning to the East to get more out of the West

It wasn't merely rhetoric when the Russian delegation in Seoul referred to the two-headed eagle with its gaze turned toward both the east and the west simultaneously. Peter the Great was one of the first to resort to a very utilitarian approach to western countries. According to the historian Vasily Klyuchevsky, he intended to cooperate with Europe for two dozen years or so and, having picked all the fruits of material culture he desired, turn his back on her (Klyuchevsky claims that this foreign policy doctrine was formulated in the most rough of phraseology).

Boris Yeltsin demonstrated in Seoul that the great reformer's formula had been creatively revised by the present Russian leadership. Turning one's side, if not back, on the West, and talking about the necessity to develop the allegedly neglected eastern direction of Russsia's foreign policy, the Kremlin persues an old objective, i.e., to rouse the West's interest in Russia in order to get more from it. Nothing came of one-sided pro-Western orientation, so here comes a second try.

In the Seoul scenario, the part of the East was played by South Korea, while the role of the West which did not justify Russia's hopes was reserved for Japan. All prospects for partnership Boris Yeltsin successfully discussed in the South Korean capital seem to have been originally intended for a Japanese audience. The latter turned out to be too stubborn on the territorial issue, and Kremlin leaders made the concrete results of their obstinacy clear to them: now all the cream will be skimmed by South Korean politicians and businessmen.

This tactic seems so effective to the Russian political elite that it is in a hurry to use it in other regions as well. Arab diplomats in Moscow animatedly discuss a problem posed by new trends in Russia's Middle East policy. They're inclined to regard the statements by some high-ranking Foreign Ministry officials as a regret for the too pro-Israeli position on a number of questions and for having forsaken the old friends and long-standing partners the communist Moscow had been oriented to for almost forty years. An Egyptian delegation returned from Moscow with a project for Russian participation in the development of an Egyptian defence industry. Agreements for cooperation with Quwait and the United Arab Emirates are ready for signing. Even Iraq began to harbour hopes that Russia would reduce her participation in the UN sanctions.

And lastly, an absolutely sensational news item. It has become known that a large-scale agreement was signed on the building, with Russia's assistance, of an atomic power station and research centre in Iran. The cost of the bargain is $880 million. Its political value, on the other hand, is immeasurably higher than that, given the West's sensitivity to supplies of advanced technology to the Irani regime which remains unreliable even after the death of the unruly ayatollah.

The Kremlin's manoeuvres are only too easily understood in the West. As a British diplomat noted, Russia has shown that, having failed to get from the West as mush as she desired, she's now ready to turn to profit wherever is profitable. The West is being reprimanded for failing to come through on its duty as a sponsor, resulting in Russia resuming a course somewhat reminiscent of the one trodden by the Red Empire. The latter also picked up partners from among those who had some claims against the West or who, having fallen out of the common ranks, hoped to profit from it.

Vladimir Kulistikov

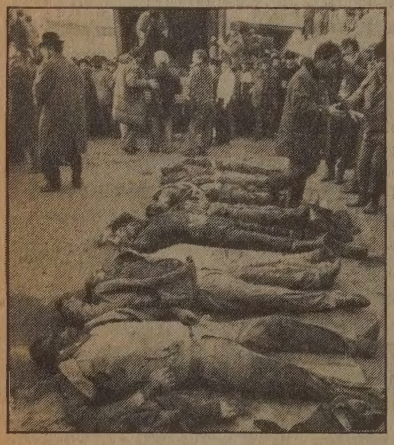
THIS WEEK

■ Parliamentary representatives of the Civil Union and the Russian Unity bloc recently met behind closed doors to consider possible joint action to be taken at the Seventh Congress of People's Deputies. They decided to seek changes in the government, in particular, the resignation of Burbulis, Makharadze, Poltoranin and Kozyrev. In their opinion, Yegor Gaidar has no thought-out programme of economic reforms, and therefore the congress must assume responsibility for framing such a programme. The meeting obviously ignored Yeltsin's refusal to make changes in his cabinet up for discussion. If the congress fails to address such issues, however, in the opinion of meeting participants, parliament, as the higher body of state authority, must compel the resignation of the Gaidar team and deprive the President of emergency powers. As a result, Yeltsin will no longer be able to issue decrees not approved by the parliament.

■ On November 20, the Russian parliament approved a law on the right of citizens of the Russian Federation to own and sell the individual plots of land allocated to them for farming, gardening or building a private house. The adoption of this law became a major event in the work of the current session of the parliament. The law directly concerns about 100 million citizens of Russia.

It is not yet clear, however, how this progressive law will operate, for it runs counter to Article 12 of the Constitution and can be made effective only after amending the Constitution accordingly. A compromise decision was reached as a result of the discussion. The parliament resolved that the law goes into effect immediately upon its publication while the committees and commissions of the Supreme Soviet should prepare an interpretation of Article 12. It should be made clear that a moratorium on selling land concerns only the plots of land intended for farming.

■ The disengagement of Russian and Chechen units to a distance of 16 kilometres from each other has somewhat reduced tension in the conflict zone. The standoff remains very fragile, however, because of intermittent provocations – in the village of Tarskoye a Russian patrol came under fire and three houses were set on fire.



Ingushetia. Nobody wanted to die

In the last few days Sergei Shakhrai, head of the provisional administration of North Ossetia and Ingushetia, has been busy organizing governmental structures in Ingushetia, which will be on two levels: a group from the provisional administration for the state of emergency period, and then the proper administration of Ingushetia. The latter is headed by Gen. R. Aushev, who is now forming administrative bodies for transport, communications, public health care, and so on. The present administration will work until elections are held in Ingushetia and bodies of legislative and executive power are formed.

■ A conference under the slogan, "Making Business in Russia," sponsored by the British newspaper *Financial Times*, was held at Moscow's Metropol Hotel a few days ago. Yegor Gaidar, Grigory Yavlinsky, Victor Gerashchenko, Mikhail Khodorkovsky, Victor Yakunin and Arkady Volsky took part in the forum on the Russian side. Reports were delivered by Dr Anders Aslund, Sweden, Prof. William Butler, Britain, and other eminent Western economists. The speakers discussed what foreign businessmen and scientists could do to make the economic reforms in Russia irreversible and help it to ride out the crisis.

The participants in the forum are ready to answer the eternal Russian question "What's to be done?" They say, "Get down to business."

■ The pre-congress tension continues to influence the deliberations in the Russian parliament. When the parliament convened, the leaders of the Russian Unity bloc again tried to aggravate the situation. At first, V.Isakov accused one of the heads of a local administration of calling on Cossacks to dissolve the parliament. Then S. Baburin insisted on including the question of resignation of the government and the President in the agenda of the current session, but his proposal, however, was not adopted. The parliament also rejected V. Isakov's proposal on a vote of no confidence in the government. It is estimated that only a fourth of the deputies are now firmly opposed to the President and the government.

■ An agreement on a ceasefire near Sukhumi was signed at the talks in Gudauta by G. Khaindrava, Georgian State Minister for Abkhazian Affairs, S. Shamba, Acting Chairman of the Abkhazian Parliament, and Russian Major General V.Sorokin. The ceasefire will let Russian servicemen to evacuate from Sukhumi, in particular, the 903rd separate radio engineering centre and the 51st road depot of Russian troops.

In the meantime, the press centre of the Transcaucasian Military District circulated a statement condemning "the sharp increase in the activity of destructive forces in Georgia with the aim of drawing Russian armed forces into a conflict with the Georgian authorities contrary to the Gudauta agreement."

Abkhasia. A truce is declared, but Georgian guns are not silent

■ The current session of the Tajik parliament is unfortunately having little effect on the situation in the republic. Fighting con-

tinues in the armed conflict zone in the south of Tajikistan. It is accompanied by terrorist and subversive acts and vandalism. Djurabek Aminov, First Deputy Chairman of the republic's national security committee, was killed by unknown persons.

The "war on the roads" is flaring up. On the Dushanbe railway traffic was stopped again because of subversive activities. In the vicinity of the city of Tursunzadeh, where the advocates and opponents of the present authorities of the republic are engaged in bitter fighting, the track had been dismantled in several places.

The most important decision adopted by the Tajik parliament is an appeal to the Commonwealth states, asking them to move peace-keeping forces into the republic. So far there has been no response to this plea from Dushanbe.

■ Moldova is closing its borders. Customs posts are being set up on all major and small roads leading from the republic "both to the east and west." The posts are being reinforced by police, soldiers of the national army, and security service officers. This measure, aimed at protecting Moldova's domestic market, was approved by the parliament.

Though the government was not allowed to declare a state of emergency in the economy, the deputies considered it necessary to put its basic proposals into effect. Excises on a number of manufactured goods, including TV sets, refrigerators and washing-machines, have been imposed. Before the introduction of its national currency Moldova plans to reduce the circulation of the ruble to a minimum. From now on half of all wages will be paid in coupons.

■ The discussion of the government's anti-crisis measures in the Ukrainian parliament resulted in a radical change in the economic sphere. From now on the government's economic decisions will replace presidential decrees and laws adopted by the parliament.

Such a decision was taken after Premier Kuchma's address to the parliament. As the Premier said himself, he did not lay it on thick, but simply called a spade a spade. He painted a dreary picture. Heavy industry, agriculture, transport, construction, and foreign economic activity are in deep crisis. The financial system of the state has been disrupted, and inflation has turned into hyperinflation. The living standard is relentlessly declining as well.

Having discussed the Premier's speech, the deputies passed a law suspending the operation of several articles of the Constitution. The parliament also restricted its own powers for a certain period. This "self-restriction," an attempt to absolve themselves from responsibility for the future, was met by the deputies without regret, with cheerful haste, judging by the emotions in the hall.

Additional powers, tantamount to dictatorial ones, have been granted to the cabinet for a six-month period. It is the first instance in the legislative practice of the Commonwealth states that the government has been vested with wide powers for carrying out economic reforms without rigid control from the President and the parliament.

■ The Central Department for Administering Punishment and the Central Department of Forest Prison Camps of Russia's Ministry of the Interior made a public declaration that from now on convicted persons may grow moustaches, go on holidays and receive privatization cheques.

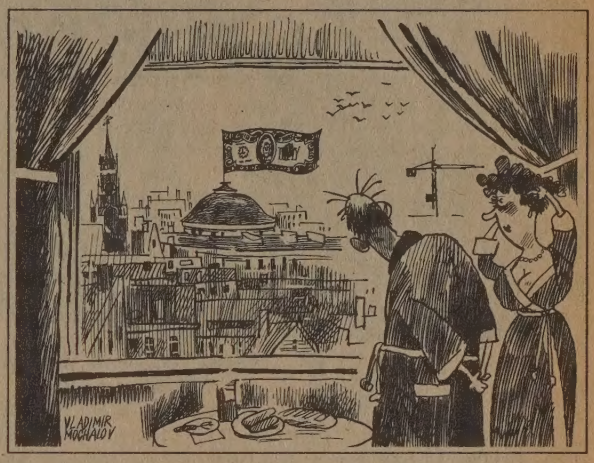
Other rays of hope have also appeared in the cheerless life of prisoners. For instance, a presidential decree has annulled the procedure under which a greater part of the wages earned by prisoners was confiscated for the budget. At present, only money for meals and clothes is deducted from the wages of prisoners. The government has freed enterprises on prison premises from profit tax.

Convicted women can now wear their own clothes while men are allowed to have short hair cuts in addition to moustaches and beards.

The administration allows prisoners to phone their relatives and acquaintances, correspond with friends from other prison camps, and pay for "additional medical and disease-prevention measures."

By the end of this year all the convicts will get vouchers. The administration has specially informed the inmates that they will not be permitted to privatize prison property and form joint-stock societies of their prison camps.

CARTOON OF THE WEEK



Drawing by Vladimir Mochalov

■ Newspapers have published an interview with Tofik Dadashev, a parapsychologist who predicted when Konstantin Chernenko, ex-General Secretary of the Communist Party, would die, the outcome of the August 1991 coup, and helped Garry Kasparov in the contest for the chess crown. Dadashev is optimistic over the future of Russia. He believes that the difficult situation will improve and that it will be remedied by "a clever, strong-willed and patriotically-minded woman." She will probably make herself known soon, the clairvoyant said, adding that serious changes are imminent in Russia.

Quotation of the week

"It affects me most of all when I am praised. Frankly speaking, praise makes me older. You will ask then why Niyazov keeps silent when he is extolled to the skies, especially in the recent time? I shall reply: I don't need praise, it is necessary for our state. Whoever he is, any leader should be respected. A street has been named after Niyazov. If it helps the people today, let them do that."

Saparmurad Niyazov,
President of Turkmenistan

Congress or President?

Drawing from The Guardian (Great Britain)

What will the Congress bring? Everybody makes forecasts. All political forces without exception regard the situation in the country as critical.
On the eve of the Congress the balance of forces can finally be made out: there are Democrats, the Centre and National Communists. A forced compromise between the President and the Centre seems unavoidable. But with what result for the reform? And for the government? Many believe that the reform's future is linked with Gaidar...
If the coming Congress is anything like the last one, we're in for a feverish fortnight, and once again without any discernible result.

The following are probable scenarios of the Congress given by four politicians representing different political trends.

"We will keep the government if Yeltsin makes concessions"

Vasily LIPITSKY,

45, chairman of the board of the People's Party Free Russia, one of the leaders of Civil Union, D. Sc. (Philos.), professor; earlier worked at the Academy of Social Sciences.

— I am often asked, why should Yeltsin form a coalition with Civil Union? But with whom else can he form a coalition? Let's be realistic.

We have an ugly and underdeveloped political system in which no political party has the people's mandate. There are actually three groupings in the Supreme Soviet and at the Congress: the radical Democratic Russia, at best a couple of dozen people who enjoy no support and who are unable to put into practice any political line.

There is also the bloc called Russian Unity with which it's simply impossible for the President to sit at the same negotiating table.

And then there is our bloc. In formulating our proposals, we proceed from the actual balance of power in Parliament and from the current moods among the deputies. We defend a pragmatic and realistic position which has nothing to do with one's tastes.

The atmosphere at the Congress will be productive if the President makes unambiguous moves and clear statements which will ensure certain corrections in the economic course, presidential and governmental guarantees and corresponding changes in the composition of the administration to back these corrections. Of course, moans and groans about the people's fate are unavoidable, but the Centrists will support the President on the whole. Then it will be possible for him to retain some of his special powers; it will also be possible to keep the majority of the present governmental team, i.e. those ministers who are efficient in their posts and who will be able to perform their functions effectively.

If this doesn't happen, then there is no saying how the Congress will turn out. There will no doubt be a general scuffle with unpredictable consequences. For instance, the opposition may raise the issue of no confidence in the government, and the Congress may approve it.

This will no doubt entail a certain reaction by the President, which will only embitter the delegates still more. No amount of fantasy suffices to imagine the consequences.

Deputies will have to cudgel their brains...

"The President seeks new routes for retreat..."

Yuri BURTIN,

60, publicist, literary critic, one of the ideologists of the radical wing of the Democratic Russia movement which has recently broken away and formed a new organization called The Independent Civil Initiative.

— I believe that the government and the opposition will come to terms at the 7th Congress, just as happened at the 6th. Nothing will prevent them from this, there is no great difference between Gaidar's team and that of the Civil Union. Both are partly reformers and partly conservatives. Some are a bit more reformers than others, but on the whole, both the government and the opposition follow the *nomenclatura*-type economic development policy.

Resorting to Marxist phraseology, habitual to our generation, we can say that both Parliament and the opposition represent various groups in one and same ruling stratum.

The present reform hasn't affected the basic element of our social and economic life: it hasn't changed property relations. In Gaidar's projects, privatization was a remote future goal postponed till "after financial stabilization." However, genuine radical reform implies at least taking simultaneous measures aimed at both stabilizing the ruble and changing property relations.

The government's (as well as its critics' and opponents') greatest fear is to infringe in some way or other upon the interests of factory and collective-farm managers. This is why the sound ideas of handing enterprises over to work collectives and agrarian reform were rejected. At the same time, no measures can be effective without privatization.

The return to subsidizing unprofitable entreprises was paved by Gaidar's reform itself. It was obvious that the measures proposed by the government would bring about not a selective (as the government expected) but wholesale discontinuation of production, as long as the state economic monopoly was to be preseved. The appointment of Gerashchenko to the post of President of the Central Bank of Russia, ostensibly imposed on the government, was in fact a way out for Gaidar.

I don't rule out that the changes in the government at the forthcoming Congress could further aggravate the already harsh social realities in Russia. On the whole, however, I hardly expect them to change anything. Today we are all paying for the concept of state-controlled (and consequently, slow and ineffecient) privatization chosen by the current administration.

In my opinion, it's primarily the President who is responsible for this choice. As follows from his speech made this August, a year after the putsch, it was precisely his choice, and it was absolutely conscious. Yeltsin believes it's to his credit that the country didn't follow a revolutionary path. And what does a revolutionary path mean in our conditions? It means radical changes: agrarian reform, privatization of state property and radical political reform.

It's not yet too late to embark on a revolutionary path, but the President holds back. From his latest speeches it is clear that he is seeking new formulae for compromise, i.e., new formulae of capitulation, new routes for retreat.

"To guide the deputies to solving the agrarian question..."

Georgy ZADONSKY,

52, Cand. Sc. (Phys. & Math.), one of the leaders of the parliamentary faction Radical Democrats.

— We support the reform government, although we are aware that Gaidar's policy isn't sufficiently consistent and that the government doesn't always firmly adhere to the principles it has itself proclaimed.

Our faction believes that under the present conditions a change of government is extremely dangerous, because even a comparatively brief period of a vacuum of power could have catastrophic consequences.

There is no doubt that at the forthcoming Congress the Speaker will do all in his power so that the Supreme Soviet may gain the greatest possible control over the process of forming the government, with the aim of making the cabinet as dependent on the MPs as possible. In this he'll be supported both by the protagonists of the Civil Union and by those of the National Salvation Front. True, the former may be satisfied with this, but factions tied to the Front will go much farther, they will demand the resignation of Gaidar's cabinet. Their success isn't ruled out, albeit not in one stroke but as a result of strong pressure over two or three weeks. Nor do I rule out, as an extreme case, that the opposition will impose on the Congress the question of the President's impeachment.

It's absolutely unrealistic to think that the Congress could vote for impeachment, but the very fact of including the issue in the agenda may have undesirable consequences in the long run. We will strongly oppose it.

One more extreme case: the government will resign of its own accord. This may be possible if the Congress places the government under its full control and makes economic decisions analogous to those approved by the last Congress, i.e., decisions absolutely contrary to the government's concept of reforms.

However, there are some signs inspiring optimism: delegates from the provinces are more reform-minded than before. Many of them have been convinced that in the absence of the constitutional right to own land, the flagrant misappropriation of land becomes unavoidable.

I regard the the question of private ownership of land as one of the Congress' most important chellenges, both from the point of view of the general course of reforms and from that of the tactics at the Congress. It's necessary to guide the deputies to the solution of this concrete problem rather than to making general anti-governmental statements.

"I don't want Yavlinsky's fate to befall Gaidar"

Victor ZORKALTSEV,

58, former First Secretary of the Tomsk Regional CPSU Party Committee, now a member of the Russia's Communists parliamentary faction.

— The country's economic situation is critical, but the government proposes one anti-crisis programme after another, and all of them are opposites to each other...

All political forces in Parliament agree that the government must go. Yet there's not a single group which would agitate for returning to the old regime nor for rejecting reforms. Such moods are no more.

Journalists are artificially heating up the problem of relations between deputies and the President and between the President and the Congress. This is wrong. Governments come and go, but the President stays.

The government is not the President, and Parliament, even its Presidium and Speaker, are not the Congress. There will be a 40 percent rotation at the Congress which will drastically change its composition. In my opinion, there should be changes in the government too.

I wouldn't send the whole government "to the dump." People must be treated carefully. I wouldn't like Yavlinsky's, Abalkin's and Ryzhkov's fate to befall Gaidar. He's obviously a competent person.

The changes in the government, if any, should be selective.

It's necessary to improve the composition of the Supreme Soviet Presidium. Today it's made up of chairmen of committees and commissions. The Presidium is supposed to control their work, instead they control themselves. I would bring to this organ the most outstanding MPs and delegates to the Congress.

The Congress' agenda is too loose. The conflict between the government and the Supreme Soviet may lead the Congress into a scuffle. I believe that it's necessary to concentrate on a few most important issues, i.e., economic issues, settling the problems of the government's and the Supreme Soviet's composition. Then I would close the session.

OUR FORECAST

...All make predictions, oblivious of our President's unpredictability. In the meantime, December is approaching, not only as the time when the Congress is to be convened but also as the anniversary of the Belovezh agreements... It cannot be ruled out that Boris Yeltsin has an unexpected move in store for the beginning of December. The declaration by three presidents in Minsk last December settled the crisis in the former USSR. A year earlier the path to power for Yeltsin and the democrats had been paved by the idea of presidentship so unexpected for Russia. In those days Yeltsin was able to outstrip events.

According to some sources, the President's report at the Congress will be out of the ordinary. At the last congress he took the floor unprepared, under the pressure from the deputies. They had forgotten that the President of Russia elected by universal ballot wasn't at all obliged to account to them, but the President yielded to their pressure. Now Boris Yeltsin is going to rectify his psychological mistake by demonstrating to them that, by virtue of presidentship and the principle of the division of powers, he is above both the government and the Congress which are equal in that sense.

It is expected that the main topic of the President's speech will be the prospects for the future evolution of Russia, the answer to the question of the priorities and the fundamental values of Russian society, of where the country is heading and why.

According to the information in our possession, an unexpected proposal may be made in the second part of his speech, namely to introduce a special system of the division of powers under which the President's, the Parliament's and the government's functions will be strictly separated and defined so as not to interfere with the actions and functions of each other. The President is going to suggest that the Congress share the responsibilities for developments in the coming year with him.

This is a risky move, which in all likelihood will be rejected by the deputies who have long ago gotten into the habit of rejecting all his proposals. It would be very naive to believe, however, that the President has failed to foresee such an eventuality, he most likely has a reserve plan up his sleeve...

Prepared by Marina Shakina and Galina Kovalskaya

In search of the lost enemy

Friction with Russia plays into Dudayev's hands

A recent new element has reinforced the ranks of those interested in the Ossetian-Ingush conflict: the Chechen side's involvement in it becomes more and more obvious. At first its role was limited to peacemaking activity, then it began to accuse the Russian leadership of instigating the conflict, and finally a new Chechen-Russian crisis nearly broke out. Johar Dudayev declared that the Russian troops had invaded the Chechen Republic and called for a general call-up of the Chechen people. Fortunately, the misunderstanding was soon settled. The reason for it was that the Russian troops had been deployed along Ingushetia's border as indicated by the Ingushes, while the Chechens had their own idea of the state border.

The Chechens' interests in this region are partly explained by their specific relations with the Ingushes. Firstly, the Chechens and the Ingushes are ethnically very close to each other, some even say that both are "one people." Secondly, having declared independence, the Chechens placed their "brothers" who didn't intend to secede in a rather awkward position. *De facto* this declaration meant the republic's division into Chechen and Ingushetia. However, the border between them remains disputable – the fate of two districts (Sunzhen and Malgobek) which are claimed by both sides remains uncertain.

However, a permanent political presence in the conflict zone is an element of the pan-Caucasian policy pursued by Dudayev who hopes to thus strengthen his weakened position in the republic.

"Freedom" and "Motherland" against the President

Half a year ago, after an abortive coup attempt to overthrough him, Johar Dudayev declared that there was no serious opposition worthy of the name in the Chechen Republic. "Our opposition," he and his adherents used to say in those days, "is a pitiful group of drug addicts and like scum. All those gathered in the square in front of the TV Centre capitulated as soon as they saw the President's courage and the determination of the people supporting him." The implication was of course that the conspiracy had been directed from Moscow. (Later Dudayev's opponents would claim that the pseudo-riot was practically orchestrated by Dudayev himself. To prove their point they would cite the numerous absurdities in the rioters' behaviour. All this is hardly convincing, yet one thing is undeniable: Dudayev's rating which had started to drop rapidly jumped in response to these events.)

The opposition accuses Dudayev of employing former criminals as personal guards

Johar Dudayev continues to repeat the same lines concerning the absence of opposition, as well as his regrets over the fact. In the meantime, only those who prefer complete political blindness don't see that the opposition is quickly gaining strength in the republic. There are several opposition parties and movements two of which, Daimokh (Motherland) and Marsho (Freedom) have rather large followings and wield a fair amount of influence. But of import is not their numerical strenghth but the fact that

those who have declared their categorical rejection of the present regime are no longer regarded by Chechen society as traitors. Newspapers overtly supporting the opposition are gaining popularity. When asked about his opinion of the president, the first person we chanced to meet in the street (an elderly self-respecting resident of the Urus-Mortan district) said with bitterness in his voice: "My personal opinion is that he isn't a serious man..."

Dudayev's rating sinks, as evidenced by, among other things, the fact that a considerable number of the intelligentsia who at first supported the "Chechen revolution" (this word is customarily used in the republic to denote the events prior to Dudayev's coming to power – from the beginning of a mass public rally near the building of the republic's Supreme Soviet and the resignation of Zavgayev, the former Chairman of the Chechen-Ingush Supreme Soviet, to the election of Dudayev as the President) now abandon the power structures and join the opposition. Among those who resigned is one of the most competent and intelligent ministers, Foreign Minister Shamil Beno and his two deputy ministers. Minister of Economics Taimaz Abubakarov, the local intelligentsia's pride and hope, who was expected to become the prime minister half a year ago found himself in disgrace; according to those well-informed, he is not likely to remain in the present Chechen cabinet for a long time. A former fervent advocate of the "revolution" Shepa Gadayev, a People's Deputy who enjoys a reputation as one of the republic's most honest people, returned his Deputy mandate and announced that he was going to create his own opposition party.

Lastly, even the Chechen parliament headed by Dudayev's appointee Husain Akhmadov, who literally yesterday was dubbed a "puppet chairman," suddenly began to demonstrate a certain independence and rather resolutely dissociated himself from the vague threats the President periodically hurls at Russia and harshly criticized Dudayev for systematically violating the Chechen Constitution and laws.

To shoot or to call the police?

What is Dudayev blamed for? Of course, he is held responsible for all misfortunes plaguing the "ruble zone": growing prices, the decline in living standards, lack of cash for paying out salaries and pensions. But to the credit of the opposition let it be said that, for all the populist attractiveness of such accusations, it refrains from abusing them. They have their hands full with other matters: unsettled relations with Russia and, consequently, with the whole world; the ill-conceived national policy resulting in continuing Russian emigration which threatens to soon completely halt the oil-processing industry; the unbridled growth in crime and a population absolutely unprotected against armed bandits. "You say the crime rate grows everywhere? Okay, I'll explain the difference to you: what do you do when bandits attack your apartment? Right, you call the police. But we know that's useless. We have to either shoot back or call our relatives."

Dudayev demanded that the Russian troops retreat from the Chechen border ... and they did

Who are they, these opposition members? They are mostly those same people who weren't delighted at the results of last year's presidential election: the former Party *nomenclatura* and Zavgayev's functionaries to whom the dissolution of the Supreme Soviet meant the end of their careers, and the liberal intelligentsia who were shocked by the frankly illegitimate nature of the new power. Most Chechen intellectuals were ready to accept the Moscow-sanctioned resignation of Zavgayev and even the dissolution of the Supreme Soviet. It was expected, nevertheless, that the Provisional Supreme Council, created instead of the disbanded Supreme Soviet, would limit its functions to preparing new parliamentary elections. But in fact power was taken over by the Chechen People's National Congress and a President was elected without a prior plebiscite on the transition to a presidential republic. The division into the Chechen Republic and Ingushetia and the declaration of independence took place without a referendum. "State power was usurped," this is what I used to be told.

One man's weekend is another's work day

And what does the opposition want in general? Since it's so heterogeneous, its ambitions are naturally no less heterogeneous. While the liberals of the Daimokh party believe it's most important to carry out the privatization of land in mountaneous regions as quickly as possible and convert enterprises into joint-stock companies, the communists of the Marsho party call upon their countrymen "to never allow privatization to take place." But the opposition is unanimous over some issues and this allows it to act jointly. First, it demands an end to the anti-Russian hysteria and comes out for starting a policy of dialogue. Along these lines, it's suggested to first hold a referendum on independence. If the majority of the population votes against it, the problem will disappear by itself. If they vote in favour of independence, the results of the referendum will, in the opinion of the opposition, serve as a legitimate basis for concluding a corresponding treaty with Russia. The leaders of the opposition also demand holding a referendum on the introduction of a presidential post. They say that "the Chechen people have never had a one-man rule. Collective rule corresponds to the people's traditions." Presidentship was imposed on the people, if they've accepted it, let them confirm it. The opposition is also unanimous on the necessity to change priorities in foreign and domestic policy. It believes that Russia is the Chechens' key partner and that the main task is to stop the emigration of the Russian-speaking people from the Chechen Republic.

Few in Russia know that a whole district (Nadterechny) of the Chechen Republic is in opposition to Dudayev. The population of this district where Zavgayev was born took offence for their "countryman" and refused to obey the new power; they don't obey it to this day. They set up outposts "against Dudayev's guardsmen" and elected their own mayor, a member of the Marsho party, instead of the prefect appointed by the President. They even have their own weekends:

the whole Chechen Republic has Fridays and Saturdays off, while the local population of this district has Saturdays and Sundays, although they are no less Muslims than the rest of the people. "If we want to communicate with the world, why should we exclude one more weekday from active communication? Nobody prevents me from observing namaz in any event." In addition, they are proud that the crime rate is much lower in their district than in the republic at large. True, two villages in the region in their turn do not recognize the mayor and choose to obey orders coming from the Chechen capital only. Yet there are no serious conflicts between the district and the "dissident" villages.

This autumn the district for the first time refused to turn the crop over to the republic's authorities, instead distributing it on their own: part of it was sold to the local population and another to the needy ones in other districts at the same reduced price. The rest was used for barter deals with Russia's fronteer districts. They believe they can continue to do things their own way "as long as will be neccessary till the chaos ends." They have no intention of reuniting with Russia, which Dudayev accuses them of.

Russia saves no more

So how did it happen that after the imposition of the state of emergency by Moscow Dudayev won universal popular support? "You know," a rank-and-file but extremely fervent member of the opposition told me, "when the troops began landing, I felt like an accomplished fool. They came to remove my enemy, and I was to be happy about it. Yet they came with arms in their hands in order to conquer my people, and I was ready to fight against them to death on Dudayev's side." Such was practically the universal feeling in those days.

Now, a year later, the situation has sort of returned to normal. The number of Dudayev opponents has considerably grown – it's one thing to reject the government for its not quite immaculate origin, and quite a different matter to reject the lawlessness and anarchy in the country. As before, Dudayev's main advantage is his ability to consolidate the nation "against an enemy." For that reason he is eager to take up challenges coming from Moscow, or even anything which might be so construed. He thus interpreted in exactly such a way the deployment of Russian troops in the Kabardino-Balkar Republic (at the request of the republic's President) and the setting up of outposts at the Chechen border for blocking the flow of weapons. The "violation of the Chechen border" was a real present to Dudayev. However, on the whole Russia gives very few occasions to lay blame on her. Other and more important concerns made her forget about the intentions of the Chechen Republic which *de facto* has been an independent country for already one year. More than that, this circumstance seems to have been accepted by the Russian mass consciousness.

At the same time, the proceedings of the Russian Supreme Soviet Commission, which as early as this spring proposed to negotiate with the existing power structures in the Chechen Republic, and even the sensational statement by Ramazan Abdulatipov in an interview to our weekly about the possibility of the Chechen Republic's recognition have been ignored by Dudayev. It's not unlikely that Johar Dudayev is aware that the Georgian president's fate could befall him if his republic continued to exist without confrontations...

A common Caucasian home?

As the ground slips from beneath his feet, the Chechen leader tries to become the leader of the entire Caucasus. The Caucasian direction seems to dominate in Dudayev's foreign policy. The idea of a "common Caucasian home" proposed by him with the obvious intention to push aside the leaders of the Confederation of the Mountaneous Peoples of the Caucasus, who began to gain strength and authority after the expedition of volunteers to Abkhazia, has so far failed. Dudayev continues to maintain close contacts with Gamsakhurdia's adherents in spite of harsh criticism by the opposition for "interfering in Georgia's internal affairs." Also obvious was his intention to support the Congress of the Kabarda People in its struggle against the power structures of the Kabardino-Balkar Republic. Dudayev's statements that Moscow is conducting an imperial policy line preventing republics from self-determination and is supporting "puppet communist regimes" were made during the confrontation in Kabarda. However, they say in the Congress of the Kabarda People that "the Chechen path doesn't suit them," and avoid open consolidation with Dudayev.

Another reason why the Chechen Republic's situation in the Caucasus is a delicate one is that many North Caucasian republics and peoples are pro-Russian. The pro-Russian orientation is dominant in Abkhazia which, thanks to the war with Georgia, became sort of a centre of gravity for the most active and ideologically-minded nationalists of the North Caucasus. Properly speaking, no North Caucasian people except the Chechen profess the idea of secession from Russia.

Johar Dudayev intends to make one more attempt to mend the situation in the near future. He is going to patronize the President of the Confederation of the Peoples of the Caucasus (the word "mountaneous" has been recently dropped from the name of the organization). It's planned to hold a conference of the Confederation in the city of Grozny, the Chechen capital. However, the Chechen leader has few chances for success.

Russia can't disregard "the Dudayev factor" in her North Caucasian policies. Any brash and ill-conceived move will play into the Chechen leader's hands.

Galina Kovalskaya

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The chicken or the egg?

The eternal philosophical argument over which came first – the chicken or the egg – has unexpectedly acquired a practical aspect concerning international aid to Russian market reforms. Which is primary – large credits for these reforms or the reforms themselves? For if the reforms are not carried out the credits may be dissipated. Two circumstances give a fillip to this argument today: Clinton's victory in the US presidential election and the aggravation of the political situation in Russia caused, in particular, by the approaching Seventh Congress of People's Deputies. No wonder that in these circumstances, international financial circles have decided to launch a sort of trial balloon.

In mid-November Thalwitz, vice-president of the World Bank, and Lukin, Russian ambassador to the United States, signed an agreement on granting Moscow a 600-million-dollar loan. This loan was promised long ago, but it has not yet been realized. Russia has to repay it by the autumn of 2007 at a 7.6 percent annual interest rate. Part of the loan is to be spent on public health needs (100 million dollars). As many as 150 million dollars will be allocated for agriculture, transport and the coal industry are expected to recieve 50 million dollars each. The remaining 250 million dollars will be sold at the Moscow Interbank Currency Exchange directly to importers for the payment of contracts valued at no more than five million dollars each.

The agreement not only earmarks where the loan money is to go. It also indicates for what purposes the importers are not allowed to spend this money: the import of wines and tobacco, gold, silver and platinum jewelry, articles made of precious stones, nuclear reactors and radioactive materials. According to some information, the agreement bans the import of video tape-recorders and cars, that is, articles without which people can do in a crisis situation.

Small wonder that the loan is called a "restoration" or "rehabilitation" one. It would be right to regard it as "reconnaissance in force," a litmus test undertaken not only by the World Bank but also by the International Monetary Fund, closely linked with it. Russia expects from the IMF a total credit of more than three billion dollars. By all indications, it is a calculated risk. The influential international financial circles and the governments of the leading seven states, which are inseparable from them, took this risk with the aim of checking how the Russian economy, though being reformed but now in a state of crisis and chaos, absorbs injections of this kind. Is it worth pumping it with the 24 billion dollars about which there was such a heated dispute last spring?

At a second conference of representatives from Japan and NATO, held in Tokyo this November, Kiichi Ito, head of the Japan International Foundation, said that the West should avoid raising the question of urgent aid to Russia as a priority and essential task. He was given a rebuff in *The Wall Street Journal* by George Soros, president of the Soros Foundation, who called on the Western governments to work out a joint creative approach. They could offer a system of social protection that would ensure the subsistence minimum for the unemployed, pensioners and the needy. In his opinion this aid would cost the West very little in view of the low exchange value of the ruble.

Perhaps aid will cost very little by Western standards, but not the 600 million dollars granted by the World Bank. Nevertheless, analyzing the terms of this "restoration loan" we can see that it pursues the same tasks about which George Soros wrote. Another aspect must not be forgotten either. We should not be misled by a relatively low interest rate and the long repayment term. Such is the usual practice of the World Bank, which, unlike the IMF, deals mainly with long-term credits. That is why this bank was chosen for launching a trial balloon. Will other credits follow? The main thing is whether international business will take the World Bank' action as a signal for making investments in the Russian economy, as a gurantee of the safety of such investments.

Western aid and the efforts of the Russian reformers should not merely advance towards each other. Close interaction is needed today, including the creation of a single mechanism based on compromise. Herein lies the key to solving the problem of which came first, not the eternal problem of the chicken and the egg, but a similar problem in its practical aspect, the problem of Western aid and Russian reforms. Both are primary, but only in interaction. Moscow cannot and must not count on charity, sacrificing on the part of the West. The West will not waive its interests for the sake of aid to Moscow. The tough approach of Western politicians and financiers to problems of this kind, sometimes extremely mercantile in the opinion of Russians, can be disapproved of. However, it cannot be ignored.

On the other hand, the Western partners, Japan included, should take into account Russian traditions, mentality, and the legacy of the half-ruined but still rather tenacious command-style system of administration.

The main thing is to consider the socio-economic realities of present-day Russia. Disregard for these realities when granting international credits could lead to an explosion from which not only Russia would suffer. It is in our common interests to avert such a disaster as well as to provide conditions for overcoming the crisis in Russia and to ensure its prosperity. The agreement with the World Bank indicates that international financial circles are beginning to take these common interests into account. It is merely a symptom, but a positive one, and let's hope it will not be the last.

Dmitry Volsky

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World Food '92

World Food '92, an international show of food, food processing technologies and equipment, recently held in Moscow, was a great success.

The objectives of the event were to attract world food industry equipment makers to Russian and CIS markets, suggest promising projects to foreign investors and familiarize Russian industrialists and experts with advanced technologies and their potential uses in domestic industry.

More than 60 US and European companies demonstrated their state-of-the-art equipment for the processing, packaging and storage of foodstuffs. Most of the World Food '92 participants have been trading in foodstuffs and food industry equipment in the CIS for a long time, and they participate in many shows. The membership list, including such heavyweights as Fata Group, Laska, Shaller, International Paper Co. and others indicated that the show had attracted a good deal of interest.

World Food '92 was a possibility for domestic enterprises and companies to buy quality food at reasonable prices bypassing agents; for the participating companies, it was good chance to get an insight into the Russian market and expand their business contacts.

The organizers have invited more than 100,000 experts from state and commercial organizations of all CIS regions.

The participants were provided with information concerning world prices of foodstuffs and food industry equipment, familiarization with Russian customs laws, taxation and Russia's fiscal policies.

The show was co-sponsored by the Russian-US joint venture, Crocus International, the US corporation, Comtech International, and the Russian Agriculture Ministry's Committee for Food and Processing Industry.

Moscow – a gold mine for hoteliers

Moscow Mayor Yuri Luzhkov recently met with president of the Radisson company, Mr. Karasson. Radisson is a leading hotel chain in the USA and Canada. Contrary to the picture portrayed in the press, the US businessman said that he had not seen any signs of instability in Russia. In fact, he said, there is no place like Moscow "which is sitting on a gold mine."

Radisson's standard rate of profitability in the USA is 15 percent a year, and it wants its Russian operation to be equally profitable. Very few US hotels are 100 percent full as Moscow hotels usually are. Radisson plans for this reason to build new hotels in Moscow.

Luzhkov promised the company land in good sections of Moscow and said that Moscow could attract 5 million tourists a year, though today it is only host to 500,000.

Shell office in Moscow

The Shell corporation views Russia as a reliable partner and is willing to provide the country with investments, advanced technologies and skilled staffers.

A statement to this effect was made by President of the Royal Dutch Petroleum Company, Kurk Herkstrotter, who came to Moscow to inaugurate the opening of Shell's Moscow office. Mr. Herkstrotter emphasized that his corporation had a stake in long-term fruitful cooperation and was ready to tap the huge experience of the Russian oil industry and employ locals.

The association's initial equity stock is valued at 600 million rubles. Its General Director is Per Ulvevadet of Norway. The Shell-Russia stock belongs to Royal Dutch Shell.

It was said at the press conference that prior to the establishment of the new JV, Shell had no relations with Russia except those of a commercial nature. The enterprise brought oil and oil products into this country and sold petrochemicals and plant-protection agents. In the 1980s trade between Russia and Shell reached its peak at 1 million USD.

These days Shell-Russia plans to go into productive areas, ranging from prospecting and exploration of oil and natural gas to processing, distribution and marketing of oil products, production of chemicals, and production and processing of coal and non-ferrous metals. However, emphasis will still be placed on the export of crude oil and oil products from Russia.

Shell has its eye on West Siberia, Sakhalin and the western parts of the Urals as the most promising areas, but for now will only work in West Siberia.

Shell will be cooperating only with the state concern Neftegazprom. It has not contacted oil product exchanges such as Hermes.

US company finds a way to Kazakhstan's gold

Kazakhstan's First Deputy Prime Minister Oleg Soskovets and President of the US corporation Rock Resources, Simon Shaley, have signed an agreement on joint development of the Bakyrchik gold deposit near Semipalatinsk.

Under the agreement, the US company will build a gold facility and social infrastructure for the workers in 18 months, beginning in January of 1993.

Experts rank the deposit as one of the most dangerous because of a high concentration of arsenic in the ore. The US corporation has pledged non-polluting facilities. Kazakhstan will get 74 percent of the gold, and the US company, 26 percent. The agreement is planned to last 20 years.

Renault sets up a JV in Russia

Renault, the state-owned French car maker, has set up a joint venture to import around 2,000 cars to Moscow annually.

Named Frank Mobil, the JV will be comprised of a transport company in Ochakovo, a taxi company in Moscow, and a trading company named Bakas.

DOSSIER

THE LAW OF THE RUSSIAN FEDERATION ON TRADEMARKS, SERVICE MARKS AND NAMES OF PLACES OF GOODS' ORIGIN

SECTION I. TRADEMARK AND SERVICE MARK

CHAPTER I. TRADEMARK AND SERVICE MARK, THEIR LEGAL PROTECTION

Article 1. Trademark and service mark

A trademark and a service mark (hereinafter referred to as the trademark) are designations serving to distinguish goods and services of one juridical or natural person from similar goods and services (hereinafer referred to as goods) of other juridical and natural persons.

Article 2. Legal protection of trademark

1. The legal protection of trademarks, service marks and names of places of goods' origin in the Russian Federation shall be provided on the basis of their registration in accordance with the procedure established by this Law or by virtue of international and interstate agreements of the Russian Federation.

2. The right to a trademark shall be protected by law.

3. A trademark may be registered in the name of a juridical entity or a natural person engaged in entrepreneurship.

Article 3. Trademark certificate

1. Trademark certificate shall be issued for a registered trademark.

2. The certificate certifies the priority of a trademark and its owner's exclusive right as regards the goods specified in the certificate.

Article 4. Exclusive right to trademark

1. The owner of a trademark shall have an exclusive right to use and dispose of the trademark and to prohibit the use of the trademark by other persons.

No one can use a trademark that is protected by the Russian Federation without permission from its owner.

2. The unsanctioned use, application, import, proposal to sell, sale or other use in the economy or storage for this purpose of a trademark or a commodity designated with this trademark or a designation so similar to it that a confusion is possible, as regards similar goods, are violations of the rights of a trademark's owner.

Article 5. Kinds of trademark

1. Verbal, pictorial, three-dimensional designations and other combinations thereof may be registered as trademarks.

2. A trademark may be registered in any color or combination of colors.

Article 6. Grounds for absolute refusal to register a trademark

1. Registration of trademarks consisting of designations alone shall be prohibited, along with the following:

those not possessing the capcity to be distinguished from others;

those representing state emblems, flags, and symbols, oficial names of states, the emblems, acronyms or full names of international intergovernmental organizations, official control marks, warrantee marks and hallmarks, seals, decorations and other distinguishing features or those that resemble them to the extent that they may be confused. Such designations may be included as unprotected elements in a trademark if the appropriate competent body or their owner consents to that;

those that have gained currency as designations of goods of a certain kind;

those that are common symbols and terms;

those specifying the kind, quality, quantity, properties, purpose, value of goods, as well as the place and time of their manufacture or marketing.

The designations specified in Paragraphs 2, 4, 5 and 6 of this Item may be included as unprotected elements in the trademark unless they dominate a trademark.

2. The following may not be used as trademarks or their elements:

those that are false or capable of misleading a consumer as regards the goods or their manufacturer;

those detrimental to public interests, humanitarian principles and morals.

Article 7. Other grounds for refusing registration of designation as trademark

1. Designations may not be registered as trademarks which are identical to or so similar that they may be confused with:

the trademarks that were earlier registered or declared for registration in the Russian Federation in the name of another person or as regards similar goods:

trademarks of other persons protected without registration by virtue of international agreements of the Russian Federation;

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the names of places of goods' origin protected in the Russian Federation, except in cases where they may be included as an unprotected element or a trademark registered in the name of a person holding a right to the use of the given name or place of goods' origin;

signs of certification registered in accordance with the established procedure.

2. The designations shall not be registered as trademarks if they reproduce:

a firm's name (or part thereof), known in the territory of the Russian Federation, that belongs to other persons that earned the right to these names prior to the reception of an application for a trademark in respect of similar goods;

industrial models the rights to which belong to other persons in the Russian Federation;

titles of works of science, literature and art, or quotations and characters from them known in the Russian Federation, works of art or parts thereof without permission of the holder of copyright or his successors;

last names, first names, pen-names and derivatives thereof, portraits and facsimiles of prominent personalities without their consent, the consent of their heirs, or the Russian Federation's Supreme Soviet, if these last names, first names, pen-names and derivatives thereof, portraits, and facsimiles are the historical and cultural treasures of the Russian Federation.

CHAPTER II. REGISTRATION OF TRADEMARK

Article 8. Application for trademark registration

1. An application for the registration of a trademark (hereinafter referred to as application) shall be submitted by a juridical or natural person (hereinafter referred to as the applicant) to the Russian Federation's State Patent Office (hereinafter referred to as the Patent Office).

2. An application may be submitted via a patent agent who is registered at the Patent Office.

Foreign juridical or natural persons who are domiciled outside the Russian Federation, or their patent agents shall conduct cases in connection with the registration of trademarks via patent agents who are registered with the Patent Office. The powers of a patent agent shall be confirmed in a power of attorney that was issued to him by the applicant.

Requirements for a patent agent, the procedure of his attestation and registration shall be determined in Provisions on Patent Agents that are approved by the Patent Office.

3. An application shall cover one trademark.

4. An application shall contain:

a statement concerning the registration of a designation as a trademark, naming the applicant and his place of domicile or location;

the declared designation and its description;

a list of goods and services for which the trademark is requested as classified by the International Classification of Goods and Services for the registration of marks.

An application shall be submitted in the Russian language.

5. Attached to the application shall be the following:

a document certifying the payment of fees in full;

the statute of a collective mark, should the application be made for a collective mark.

The documents attached to the application shall be submitted in Russian or another language. If these documents are in a language other than Russian, a translation into Russian is attached to the application. The applicant may submit a Russian translation within two months of the reception by the Patent Office of an application containing documents in a language other than Russian.

6. Requirements for the documents of the application shall be set by the Patent Office.

Article 9. Trademark priority

1. The priority of a trademark shall be established on the basis of the date of receipt by the Patent Office of an application meeting the requirements outlined in Item 4 of Article 8 of this Law.

2. The priority of a trademark may be established on the basis of the date of receipt of the first application for a trademark by a foreign member country of the Paris Convention on the Protection of Industrial Property (convention priority) if the applicaiton was received by the Patent Office of the Russian Federation within six months of the specified date.

3. The priority of a trademark displayed on the exhibits of official or officially recognized international shows held on the territory of one of the member countries of the Paris Convention for the Protection of Industrial Property may be established on the basis of the beginning of open display of an exhibit at a show (exhibition priority) provided the application for the trademark is received by the Patent Office within six months of the specified date.

4. An applicant willing to make use of the right of convention or exhibition priority should mention this when applying for a trademark, or within two months of the date of the receipt of the application by the Patent Office and attach the required documents confirming the validity of such a demand, or these documents may be submitted within three months of the receipt of the application by the Patent Office.

5. The priority of a trademark may be established on the basis of the international registration of a trademark in accordance with the Russian Federation's international agreements.

Article 10. Examination of application for trademark

1. An application is examined by the Patent Office and includes preliminary examination and that of the declared designation.

2. When an application is examined and pending a decision on it, the applicant shall have the right to add to, clarify or correct the materials of the application.

Should additional materials change the application in principle, these materials cannot be accepted to consideration and may be submitted by the applicant as a separate application.

3. When an examination is being made, the Patent Office shall have a right to request for additional materials that are essential to the examination and the examination cannot proceed unless they are available.

Additional materials at the request of the examiner shall be submitted within two months of the receipt of the application. At the request of the applicant, this period may be extended on condition the request comes before this period is up. Should the applicant fail to meet the specified dates or leave the examiner's request unanswered, the application is regarded as recalled.

4. An application may be recalled at the

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request of the applicant at any stage in its consideration, but not later than the date of the registration of the trademark.

Article 11. Preliminary examination

1. The preliminary examination of an application is made within a month of its receipt by the Patent Office.

2. In the course of a preliminary examination, the application is checked for contents, the presence of required documents, as well as their conformity with established requirements. A preliminary examination over, the applicant is notified whether the application is accepted for consideration or rejected.

3. With an application accepted for consideration, the applicant shall be notified of the establishment of the priority of a trademark, except for cases when he requests a convention or exhibition priority but fails to submit the required documents confirming the legitimate nature of this demand by the time the application is considered.

Article 12. Examination of declared designation

1. A declared designation shall be examined upon the completion of the preliminary examination.

An examination checks the declared designation for conformity with the requirements set in Articles 1 and 6, and Item 1 of Article 7 of this Law and establishes the priority of a trademark provided it was not established by preliminary examination.

2. The findings of the examination are used to take a decision on the registration of a trademark or refusal to register it.

3. The decision of the examiners to register a trademark may be revised in connection with the receipt of an application having an earlier priority under Article 9 of this Law.

Article 13. Appealing decision on application and extension of periods of application's consideration

1. Should an applicant disagree with the decision of a preliminary examination or the decision of the examination of declared designation, he shall have the right to appeal against the decision with the Appeal Chamber of the Patent office (hereinafter referred to as the Appeal Chamber) within three months of the date of the receipt of the application. The appeal shall be considered by the Appeal Chamber within four months of the date of its receipt.

2. Should the applicant disagree with the decision of the Appeal Chamber, he may make a complaint with the Higher Patent Chamber of the Russian Federation within six months of the receipt of the decision. The decision of the Higher Patent Chamber shall be definitive.

3. An applicant shall have the right to familiarize himself with the materials specified in the examiner's decision.

Within a month of the recept of the decision on the application, the applicant may request copies of these materials.

4. The dates provided for in Item 3 of Article 10 and Items 1 and 3 of this Article that the applicant fails to meet, may be extended by the Patent Office by request of the applicant that is made within two months of their expiration, provided he has reasonable grounds to ask for an extension and has paid a fee.

Article 14.Trademark registration

The Patent Office uses the positive decision and registers the trademark in the State Register of Trademarks and Service Marks of the Russian Federation (hereafter referred to as the Register) within a month of the date of the receipt of the document certifying the payment of the established fees. The Register shall record the trademark, information about its owner, the date of trademark priority and registration, the list of goods covered by the trademark and other information in relation to the registration of the trademark and subsequent changes to this information.

Article 15. Issue of trademark certificate

1. A certificate for a trademark is issued by the Patent Office within three months of the date of registration of a trademark in the Register.

2. The form of a certificate and the records made in it are established by the Patent office.

Article 16. Registration validity term

1. The registration of a trademark is valid for ten years, beginning on the date of the receipt of the application at the Patent Office.

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2. A trademark registration validity term may be extended by application of the owner that is submitted during the last year of its validity; each application is good for ten years.

By request of the owner seeking an extended term of validity of registration of a trademark, he may be given a six-month period following the expiration of the registration validity term on condition that he pays an extra fee.

3. A record that the term of validity of registration of a trademark is extended is made by the Patent Office in the Register and trademark certificate.

Article 17. Making changes to registration

The owner of a trademark shall notify the Patent Office of changes to his company's name, first and last name, patronymic, shortening the list of goods covered by the registered trademark, changes to individual elements of a trademark that do not change it in essence and other changes relating to the registration of the trademark.

Changes are made to the Register and trademark certificate on condition that fees are paid.

Article 18. Publication of registration information

The records in relation to the registration of a trademark and entered in the Register under Article 14 of this Law shall be published by the Patent Office's official bulletin within six months of the date of the registration of the trademark in the Register or the date of entering changes in the registration of the trademark in the Register.

Article 19.Trademark registration in a foreign country

Juridical entities and natural persons of the Russian Federation shall have a right to register a trademark in a foreign country or apply for an international registration.

An application for international registration of a trademark is made via the Patent Office.

CHAPTER III. COLLECTIVE MARK

Article 20. Right to collective mark

1. A collective mark is a trademark of a union, economic association or another voluntary association of enterprises (hereinafter referred to as an association) that is designed to designate the commodities they manufacture and (or) distribute provided

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they share common qualitative or other characteristics.

2. A collective mark and the right to use it may not be transferred.

Article 21. Collective mark's registration

1. Attached to an application for a collective mark is a statute on the collective mark which contains the name of the association that is authorized to register a collective mark in its own name, the list of enterprises having a right to use this mark, the purpose of its registration, the list and common qualitative or other common characteristics of the goods to be designated by the collective mark, the conditions of its use, and the procedure of monitoring its use, responsibility for the violation of the statute of a collective mark.

2. Information about enterprises having a right to use a collective mark shall be entered in the Register and the certificate of a collective mark in addition to information required under Article 14 of this Law. This information, as well as an excerpt from the statute on a collective mark on common qualitative or other common characteristics of goods, for which the mark is registered, shall be published by the Patent Office in an official bulletin. The owner of a collective mark shall notify the Patent Office of changes to the statute on a collective mark.

3. Provided a collective mark is used on goods that do not have common qualitative and other common characteristics, the registration may lose validity in part or in full ahead of time by decision of the Higher Patent Office.

CHAPTER IV. USE OF TRADEMARK

Article 22. Use of trademark and consequences of its non-use

1. The use of a trademark is its application to goods for which the trademark was registered and (or) their packaging by the owner of the trademark or the person authorized to use it under licensing agreement in accordance with Article 26 of this Law.

The following may be recognized as the use of a trademark: the application of a trademark in advertising, publications, on posters, when exhibits are displayed at exhibitions and fairs held in the Russian Federation provided there are grounded reasons for the non-use of a trademark on goods and (or) their packaging.

2. Juridical and natural persons engaged in entrepreneurial activities may use their trademark under an agreement in addition to the trademark of the manufacturer of the goods, as well as instead of his trademark.

3. The registration of a trademark may be cancelled in full or in part by decision of the Higher Patent Office upon application of any person provided a trademark is not used for five consecutive years after the registration date or five years preceding the submission of this aplication.

When decision is taken on whether or not the registration of a trademark should be cancelled in connection with its non-use, the proof provided by the owner of a trademark that the trademark was not used for reasons beyond his control may be taken into account.

Article 23. Cessation of rights based on trademark registration

The registration of a trademark does not authorize its owner to ban the use of this trademark in respect of goods that were put on the market by the owner of the trademark himself or with his consent.

Article 24. Warning marking

The holder of a trademark may place a protective warning near a trademark to indicate that the used designation is a trademark registered in the Russian Federation.

CHAPTER V. TRANSFER OF TRADEMARK

Article 25. Cession of trademark

The holder of a trademark may cede it under an agreement to a juridical or natural person in respect to all or part of the goods it covers.

A trademark cannot be ceded if its cession may cause confusion in the customer as to the goods or its manufacturer.

Article 26. Licensing the use of trademark

The right to use a trademark may be given by the owner of a trademark (licensor) to another person (licensee) under a licensing agreement.

A licensing agreement shall stipulate that the licensee's goods will not be inferior in quality to the licensor's and that the licensor will monitor observation of this stipulation.

Article 27. Registration of agreement on cession of trademark and licensing agreement

The agreement on cession of a trademark and the licensing agreement are registered with the Patent Office. They are invalid without this registration.

CHAPTER VI. CESSATION OF LEGAL PROTECTION OF TRADEMARK

Article 28. Recognition of trademark registration as invalid

1. The registration of a trademark may be recognized as invalid in full or in part throughout the entire period of its validity if it was done in breach of the requirements under Item 3 of Article 2 and Article 6 of this Law, or within five years of the date of publication of information concerning the registration of the trademark in an official bulletin for reasons established in Article 7 of this Law.

2. Any person may appeal against the registration of a trademark to the Chamber of Appeals, meeting the dates under item 1 of this Article. An appeal against the registration of a trademark shall be considered within four months of the date of its receipt.

3. The decision of the Chamber of Appeals may be appealed with the Higher Patent Office within six months of the date of its passage. The decision of the Patent Court is definitive.

(To be continued)

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Their cotton, our oil

Consequent on the USSR's disintegration, the former Soviet republics unexpectedly discovered that they were foreign states relations with whom Russia had to base on the same principles as with other world countries. Obviously neither they nor Russia were prepared for that. The amorphous CIS, soon to see its first birthday, has no even charter and hence does not function as an interstate agency. Many forgot rather soon that our common centre is now in Minsk, as the more important conferences and get-togethers are still held in Moscow.

Everybody satisfied?

By virtue of understandable historical causes, Russian trade with the West is termed export-import, while her commerce with the immediate abroad is qualified as transmission in and out. Russia's Ministry of Exteral Economic Ties is to all practical intents not concerned with interrepublican trade links, while the State Committee for Economic Cooperation with the CIS States is so busy drafting numerous bilateral and multilateral agreements that it does not keep track of trade flows. True, exploiting ex-Gosplan potential, Russia's Ministry of Economics tries to do something, which however amounts at best to the two-way balancing of trade in individual commodities.

Meanwhile, since the West regards interrepublican commerce within the ex-USSR exclusively as foreign trade, whose results are incorporated in Russia's balance of payments, what is a purely economic issue assumes pungent political significance. Officially Russia has a trying time paying back the external debt, presses for the postponement of payments on old debts and begs the West for urgent humanitarian and financial aid, inasmuch as she has no hard currency on hand and has virtually nowhere to obtain it from. All revenues from contracted exports of goods and services are engulfed by centralized import, with which it is impossible to dispense, as otherwise many industries would grind to a halt and a large proportion of the beef and dairy cattle head would have to be slaughtered.

Yet with good reason are we told that we have a vast source of hard currency revenues in interrepublican commerce which has traditionally pumped financial and material resources out of Russia into the other republics of the ex-USSR. Though everybody seems to understand that, it is extremely hard to demonstrate. Before the state was one integral unit, Russian enterprises had branches in the other republics, as enterprises of the Ukraine, Byelorussia, Tajikistan, etc. had branches in Russia. Planning was overall and nobody gave particular thought as to where one or another commodity was really produced.

When cash is brought from one independent state to another in a knapsack that's certainly not civilized

After the USSR's disintegration, the first thing nearly all the former republics did was to place erstwhile union enterprises under their own jurisdiction. In other words, they tallied the products of these enterprises as their own. At the same time Russian enterprises also noted these products in their books. Given such "double-entry" bookkeeping, the overall results of CIS industry appeared rather decent. Everybody was satisfied, except Russia, which continued to subsidize virtually all the republics without even having a proper notion of the actual size of these subsidies.

Commercial disbalance

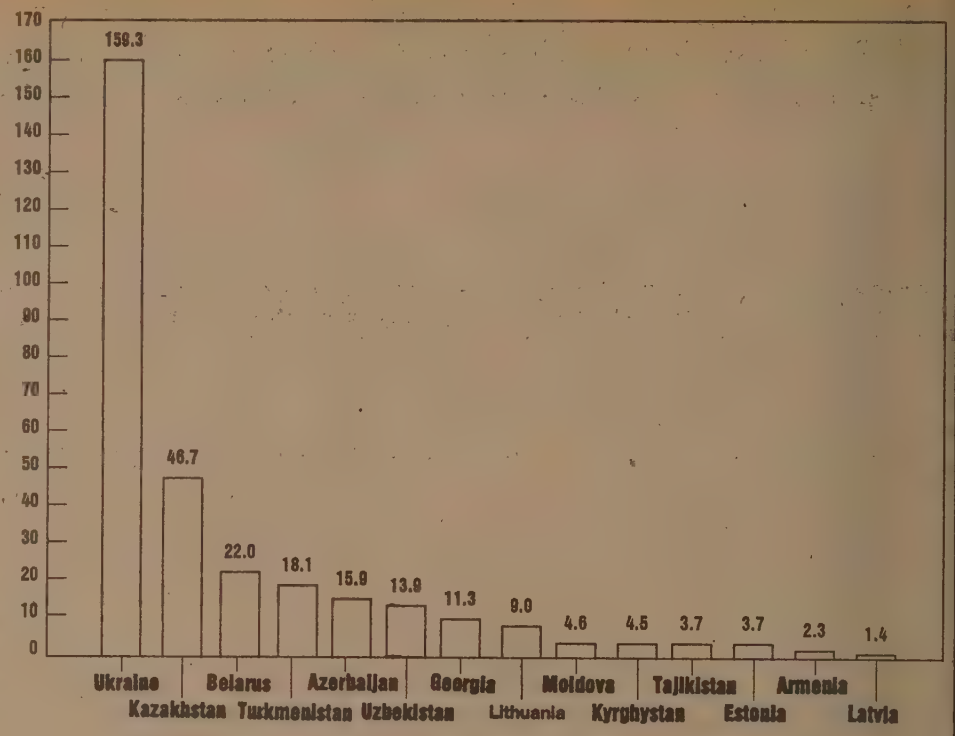
The situation exacerbated, when the new sovereign states set up their own central banks that immediately offered vast ruble credits to local commercial banks who in turn credited national enterprises to thus enable them to go on purchasing goods from Russia. Worthless money was transmitted to Moscow in exchange for concrete goods for industry and consumption. What this amounted to in practice was an increased emission in Russia, that was not controlled by her Central Bank. The ruble as the common currency of the ex-Soviet republics

Though the rubles are piling up, less real money is available

was emitted by everyone; however goods could be bought for these rubles primarily in Russia, as the other republics imposed rigid curbs on the export of every commodity from their own territories.

In reply Russia set up a system of what are known as correspondent accounts, with Russia's Central Bank opening them for all the central banks of the other republics. Their paramount objective was, if not to control, then at least to tally cash flows across borders as payment for goods and services supplied. These accounts are that official document which is reviewed at Russia's bilateral talks with the former Soviet republics when discussing commercial and economic relations (Chart No.1).

Mid-year indebtedness of ex-Soviet republics to Russia in 1992 (in billion rubles)



Nevertheless these accounts, which disclose that Russia has a vastly positive balance in dealings with the republics, are not devoid of numerous drawbacks. Thus they do not take into account non-payment for commodities and services, which to this day assails interrepublican relations. For example, should a Russian enterprise ship produce to Ukraine, but not yet be paid, that means there supposedly was no deal, even though the said produce has either already been used or resold. Nor tallied in correspondent accounts are barter deals which have been flourishing during the overall transition to a market economy. When three freightloads of timber are exchanged for spare parts to tractors, no reckoning is conducted as a rule and, consequently, no commercial deals seem to have taken place, even though material resources have crossed borders.

Nor do these accounts reflect cash payments effected by means of the carriage of money in a valise, knapsack or attache-case, depending on the amount, the size of the bank notes, and the opinion the owner has of himself, although this is now customary in dealings between commercial structures located in the different republics. Such operations present a twofold advantage. Taxation is evaded, while payment is faster, which is extremely important given the present rate of inflation, when delays in receipts even for several days may spell a complete loss of profit. Neither subject to cost accounting is commerce in respect of which the corresponding invoices gather dust at a bookkeeping centre, due to antediluvian documentation processing, lack of the necessary personnel, mismanagement and the other many problems so typical of us. Finally, many wily commercial banks have opened correspondent accounts or their own branches in the CIS states and expedite cash between them for alleged commercial dealings. Newspapers feature galore advertisements placed by certain firms, often not banks at all, offering services in the transmission of monies to Ukraine or to Kyrghyzstan; not infrequently they offer as a bonus to turn part of the sums thus transmitted into spot cash.

Only more or less seriously quantified is interrepublic commerce based on those intergovernmental agreements which the Russian government has signed with all the ex-Soviet republics for this year or for the coming year. Though termed differently, their sole purpose is to list critically significant commodities, which each republic is obligated to supply over the year indicated. As regards Russia, these are primarily fuels and raw materials, and as regards the other republics, primarily foodstuffs and consumer commodities.

Supplies are rated in tonnes, litres and pieces. As it is impossible to compare kwh to metres and units of conventional bricks to head of beef and dairy cattle, it is impossible thereby to indicate who owes what to whom and how much. The intergovernmental agreements and reports on their implementation are naught but unique exhibits for a museum of economic archeology, should such a museum ever be opened, as they on no account offer themselves to serious analysis or all the more so to the adoption of responsible political decisions on their basis.

Hence it may be definitely stated that Russia is transmitting to the immediate abroad much more than she is bringing in. Interrepublican commerce is composed, as it were, of three flows – firstly, dealings under intergovernmental agreements embracing only a relatively small list of commodities rated primarily in natural units; secondly, trading in commodities not listed under interstate agreements inasmuch as they are not crucial for the signatory republics and are only cost accounted via the system of correspondent accounts in Russia's Central Bank; and finally, illicit deals in-

cluding smuggling, which generally cannot be tallied even approximately. Russian oil and gas flowing along pipelines to Western Europe are diverted by the republics into their own storages. Trucks carrying nonferrous scrap metal evade frontier and customs posts on their way to the Baltic states and thus transform the latter into major "producers" and "exporters" of nonferrous metals which actually they do not have.

Prices

All the deformities in Russia's commercial links with the ex-Soviet republics derive from one common disparity between the internal prices for interrepublican trade and world prices. In short, our domestic prices are far lower than world prices, which makes it extremely profitable to purchase raw materials from Russia for rubles and resell such materials on the world market for dollars. Thus over the first six months of this year, the price at which Russia supplied oil to the immediate abroad averaged but 675 rubles per tonne, while she sold oil to the West at an average 127 dollars per tonne. This means that the exchange rate as regards this vital Russian export would have stood at only 5.3 rubles per dollar. A similar picture is to be observed as regards deliveries of Russian gas and most other Russian exports. The ruble-dollar exchange rate tallied on the basis of the ratio between interrepublican trade prices and the prices at which Russia sells goods to the world market averages 13 rubles per dollar, though over the said six months the rate of exchange of hard-currency stock exchanges was never less than 100 rubles per dollar.

That though is only half the matter. As regards the ratio between the prices at which Russia purchses commodities in the immediate abroad and on the world market the disparity is still more striking. Thus over the first six months of the year Russia purchased sugar from CIS states at an average of 55,000 rubles per tonne, whereas on the world market the price was never more than 272 dollars per tonne. That already means a rate of exchange of 203 rubles per dollar. The picture is roughly the same as regards the coal, butter, meat and other consumer goods purchased from the immediate abroad, whereby we arrive at an average rate of exchange of 26 rubles per dollar.

Consequently, by selling her commodities at a much lower price than on the world market, but purchasing commodities at a higher price, Russia has found herself in an amazing situation for an industrially-developed country, whereby she would find it more to her advantage to export as less as possible to the immediate abroad. Actually exportation has been much greater than importation, which illustrates how appallingly economically inefficient interrepublican commercial links are for Russia.

This conclusion could be illustrated by one more example, when comparing domestic and world prices for imported cotton and exported fuel. Simple arithmetic demonstrates that for Russia to purchase just one tonne of cotton in the immediate abroad she must sell there 148 tonnes of oil, whereas if she were to buy a tonne of cotton on the world market, she would need to export only 10 tonnes of oil. If gas is used as the medium of payment, then 169,000 cubic metres of gas would need to be piped to the CIS states to purchase but one tonne of cotton for the light industry; on the other hand, were Russia to purchase a tonne of cotton from a third party, she would have to pipe there only 15,000 cubic metres of gas.

In the main this means that the problem of servicing the external debt, of meeting other hard currency payments and of finding resources for centralized import does not really exist for Russia. It would be enough for her to somewhat reduce deliveries to the ex-Soviet republics of products that could potentially be vended on the world market. Naturally, these republics would also reduce deliveries to Russia or make her pay in hard currency for a portion of them. Nevertheless, and arithmetic bears this out, given any, even the most adverse scenario as, for instance, the complete stoppage on republican exports to Russia for rubles, with payment for such exports demanded exclusively in dollars, Russia would secure a positive balance of payment with the immediate abroad that would run at least into several billion dollars.

Options

However a purely statistical approach to practice may have unpredictable consequences. The technological links with enterprises of the immediate abroad are so close that any attempt to rupture them may engender the immediate economic collapse of all these enterprises. Hence the "divorce," which is apparently inevitable, must be civilized and gradual. As a matter of fact, "divorce" proceedings already started, as soon as the ruble zone began to disintegrate (Chart No.2). Most of the ex-Soviet republics, including even the exclusively West-oriented Baltic states, continue to use the ruble as the medium for cash and clearing operations. No wonder, since Russia, as their leading trade partner, accepts payment either in rubles or in hard currency, in respect of which sundry coupons and scrip do not apply.

The possibility that eventually national currency units will be introduced in all the countries of the immediate abroad and that only Russia will retain the ruble as her national currency unit looms large. It would apparently be advantageous for Russia, as then she could rigidly control monetary circulation and consequently inflation. For the other republics this would mean that they would not only need to print national currencies, and in some places such currencies or their surrogates are already in circulation, but chiefly and mainly devise a system of reckoning with Russia as the main commercial partner.

There are only two options here, a clearing alliance and a payments alliance. In the case of a clearing alliance, which may be bilateral or multilateral, the countries trading with one another will employ their respective banks to reciprocally tally exports and imports, to completely balance them. Since this is out of question in the given case, as over the next few years Russia's exports will definitely exceed imports, this would furnish mechanism for settling debts incurred, for example, by transferring to the ownership of the contractor shares in a national enterprise, the floating of state bonds, and the like.

A clearing alliance will most likely speedily become a payments alliance, which having a chartered capital, comprised of dues contributed by the member countries, will extend credits on its own behalf to chronic debtors. The resources needed may be acquired only on the world loan market, that is from those selfsame international financial agencies, which thus far are rather reluctant to furnish such credits.

A short-term prospect is to retain in one or another form a common currency expanse, at least incorporating those CIS states which have said they are for it, and which have signed the respective agreement. Here again we have only two likely options, either an interstate bank, which its member countries would invest with the exclusive prerogative of cash and clearing

emission, or have such functions delegated exclusively to Russia's Central Bank. Both options are equally unlikely, insofar as the right to print money is the indisputable prerogative of every independent state, consequently, emission exclusively by the Russian Central Bank would imply in effect the loss by the republics of control over a crucial aspect of their economic policy, to wit, their monetary policies, to which local power structures would hardly agree. Consequently, the agreement reached on a common monetary system and a concerted monetary crediting and currency policy in those states which have retained the ruble as a unit of payment, evidently has a but sorry lot in store.

Commercial dealings with the CIS states will gradually acquire the legal basis that is universally accepted in world practice. Russia's President has already issued an edict, in line with which customs posts are to be set up on the borders with countries outside of the customs alliance.

Practice has already demonstrated that agreements are being signed to set up free trade zones for the free movement of goods and services between the countries in such zones, but also stipulating for independent customs tariffs with respect to third parties and more-favoured-nation treatment agreements. Proceeding from world experience we may say that such treatment does not afford any particular privileges in two-way trade; it merely notes that the contracting parties are obligated to provide each other with the same regime of commerce that they afford any third party. In other words, this is a run-of-the-mill practice in international trade.

By adopting civilized commercial links, the countries of the immediate abroad will not recede into the distance thereby. It will simply enable the independent republics to become fully aware of the pros and cons of economic disintegration, which in the final analysis will serve as the basis of a new interstate structure for relationships between really equal partners.

Nina Plekina

Introduction of national currency units in the ex-Soviet republics

Country	Currency unit	Date of introduction	Rate of exchange
Russia	1 ruble = 100 kopeks	The monetary system law of September 25, 1992, banning scrip	
Ukraine	The Ukrainian coupon as the legitimate unit of the Ukrainian ruble	Coupon declared the sole legitimate unit of payment as of November 7, 1992. Currency reform in effect	1 ruble = 1.3-1.4 coupons
Belarus	Russian ruble and Belarussian rubel in parallel circulation	May 1992	1 rubel = 10 rubles
Kazakhstan	Russian ruble		
Uzbekistan	Russian ruble		
Tajikistan	Russian ruble		
Turkmenistan	Russian ruble		
Kyrghyzstan	Russian ruble		
Georgia	Russian ruble		
Armenia	Russian ruble	Introduction of national currency unit expected shortly	
Azerbaijan	Azerbaijanian manat. Ruble used in clearing	July 1992	1 manat = 10 rubles
Latvia	Latvian rublis and Russian ruble in parallel circulation	Rublis as transitional currency unit proclaimed sole legitimate payment unit on July 24, 1992. Introduction of Latvian lat expected in December	1 rublis = 0.5-0.9 rubles
Lithuania	Lithuanian coupon replaces ruble in cash circulation	October 1, 1992. Preparation to introduce Lithuanian lit.	1 coupon = 1 ruble
Estonia	Estonian krona	June 20, 1992	1 krona = 10 rubles 1DM = 8 kronas
Moldova	Moldovan coupon and Russian ruble in parallel circulation	Coupon introduced on June 10, 1992	1 coupon = 1 ruble

Russia at world crossroads

Boris Yeltsin and John Major. The Russian leader's London visit has come as a spectacular triumph for the new diplomacy of Russia which is confidently winning a worthy niche in the community of civilized nations

Below, Vadim Zagladin, a well-known Russian political scientist, philosopher and foreign policy expert, continues his deliberations in our journal as to the new Russia's destinies. This time he reflects on the problems of her foreign policy and her status in the changing world

I wound up my previous contribution *Quo vadis, Russia?* in No. 32 for this year, noting that Russia's future largely depended on the new conditions emerging throughout the world. Though this is universally recognized, it has been far from fully plumbed, decoded and analyzed.

Deliberations as to the world's present state are full of contradictions which I think is not to be wondered at, as the very novelty of the situation is thus far really fathomed only to some extent.

By now it is obvious that the world is bidding farewell to the overlong twentieth century, a time of ruthless cruelty, even though keynoted by major breakthroughs in science, technology, production and culture. It now behooves us to ponder its legacy and primarily, proceeding from this heritage, to cast a forward look and detect what we should do to escape future tragedies.

Meanwhile life continues to accelerate, yielding with every passing day much that is new and often outside habitual, established canon. No wonder new ideas and new hypotheses continually emerge.

Truth to tell, the end to the East-West confrontation has demolished the socio-political matrix which seemed to automatically incorporate everything in a pre-ordained place. Now though, all traditional checks and balances have gone.

There followed a new string of cataclysms that rocked the world, notably the disintegration of the USSR and the collapse of totalitarian systems throughout — and not

only throughout – Eastern Europe. Rising up on the ruins is the contour of a new geopolitics, of a new world image that has deprived old bearings of their significance.

The changing world

Much could be said about this. The world is no longer of two poles, not only politically but also ideologically. That is indisputable, though at times we hear it said that there has come into being a new "unipolar" world, with but one superpower and one liberal ideology remaining. However, that logic derives solely from the old hidebound mentality.

That the USSR, following its breakup at the close of last year, thus lost its status as a superpower, is plain for all to see. The paradox is that at the same time the USA has also relinquished superpower status. You could have superpowers only when there were the two, which scared each other and the entire world and which thus contained other countries within definite limitations. However, all that has gone.

Good relations with the immediate abroad represent a novel major aspect of Russia's efforts in foreign policy. Boris Yeltsin discussing problems with Leonid Kuchma, the Ukraine's new Premier, during his recent Moscow visit

Though I on no account seek to disparage the USA's role, militarily it no longer needs to scare its "opponent," as that "opponent" no longer exists. Further, its allies, who had been allies precisely due to confrontation in the "bipolar" world and needed to be shielded by the US umbrella, have now found themselves in a totally different situation. They no longer stand in need of that umbrella and hence are free to act, which they are starting to do, though not too confidentially as yet. Moreover, the USA, despite its strong features, is in this new situation largely beginning to yield to Japan and increasingly so to Europe in the economic, technological and cultural senses. Should Western Europe indeed become an economic, financial and political alliance, the situation will tilt still further in its favour.

New sources of conflict

Yet the overall picture of world relationships will not be full if the following circumstance is lost sight of. Already distinctly emerging is a new regionalized pattern. Thus Europe, the Asian-Pacific area, North America, which apparently includes Mexico, the South American countries, and the African continent have already devised and fortified their own continental, regional or subregional associations. Coming into being are what we might term mega-alliances, above all in the economic sphere. This will largely modify, in fact is already modifying, the traditional coordinates of political links and economic rivalries. The latter, by virtue of the reduced significance of the military factor, will apparently become the basic source of conflict.

Finally, a few words about one more consequence of the changes that have occurred.

Much has long been said about the globalization of world economics and politics. However, when the world was divided, this was muted. On the other hand, the all-out stake on militarization, the overall arms race diverted attention and resources from global problems. Now that the old "walls" are down, opportunities for economic and political globalization have steeply increased in purely physical terms. At once the world, having shaken off the nuclear-threat nightmare, has distinctly noticed the so tangible global dangers, which are as threatening as a nuclear apocalypse.

Components of the "great power" concept

Russia is obliged to restore and multiply her energies in a situation when her very place in the world has changed. She is no longer a superpower, which I am inclined to think is a good thing. Indeed, to be that is awkward and costly, in fact, senseless in the present pluralistic, multipolar world.

However, she is ordained to stand forth as a great power, which of course, requires no mean effort, inasmuch as a country's greatness, its resources, etc., comprise only some components of the "great power" concept. She must be stable, yet dynamic at home and present an open, constructive, stabilizing, peacemaking force to the world. She must be able to effectively champion her own interests, while respecting the natural, rational interests of her partners.

Today Russia lies within new frontiers, and hence commands a new geostrategic position, which is absolutely different from what the USSR had had. She must adapt to this new position and to her new neighbours, with whom she must live in peace and harmony. She must adapt to the new relations of partnership with the "distant" abroad, the traditions of which were lacking in the confrontational past and which emerged only during *perestroika*.

Nowadays both inside and outside Russia it is trendy to censure her foreign policy. Though it is a good thing that foreign policy is no longer a taboo for the public, who can say what they think about it, still criticism must be sensible and well argued, which is far from always so. It still has much that is overly destructive, though actually Moscow is demonstrating an increasingly constructive approach to affairs on the international scene.

Whereas in the by no means that recent

past, the USSR's foreign policy was monopolized by a narrow coterie, now that is totally out. Actively preoccupied with foreign policy are the President, his advisers, the Vice-President, the Speaker, parliament in the person of its commissions and, of course, the MFA. There are of course other centres of ideas, but they are not that influential.

Is this a good thing or a bad thing? On the one hand, it is excellent. It is not monopolized, there exist varied approaches which mean alternative solutions and a really effective policy taking the different attitudes into consideration.

Yet, sad to say, there is another side to the medal. The point is that on some key issues, diverse incompatible stands are broached, moreover, from the housetops. Voiced as they are by prestigious VIPs, one can well imagine how greatly this serve to confuse both Russians and the leaders of the CIS countries and of the "distant abroad."

It is quite obvious that these diversified attitudes are beneficial only provided they do not generate different, if not conflicting, interpretations of Russia's national interests, moreover, interpretations that appear to be officially expressed.

Thus far these interpretations diverge, even though for seriously thinking politicians it is quite plain that Russia's national interests require a policy that would, firstly, ensure her unreserved territorial integrity; secondly, pave the way for modernization and optimum development on the basis of the chosen principles, the controversies around which necessarily obstruct Russia's foreign policy strategy; thirdly, reliably guarantee the security of the country and its citizenry; and fourthly, create conditions that would enable Russia to firmly ensconce herself as a great power in the new, changing world.

A second aspect of primary significance is that the multiplicity of attitudes is beneficial when it generates a definite foreign policy concept, one that is plain and clear-cut, one that would determine Russia's attitudes to the basic issues of world development at this totally new stage. Does this concept exist? In some degree, yes. Many aspects though are still vague.

Now and again the "new thinking" is vilified. It goes without saying that what was formulated prior to the latest global transformations needs to be further elaborated upon. However, the basic contour of the "new thinking" has already had a positive effect and is continuing to have this positive effect, as it has been accepted by the entire world. I advocate its improvement and sophistication, I am for the unreserved continuation of democratization, demilitarization, the de-ideologization of relations between states, the humanitarianization of the world community and the subordination of its every aspect and its every action here as regards foreign policy interests to the needs and requirements of the human being. This is no abstraction, but a concept of profound meaning, measuring up to the needs of the new stage of world development. It gives me great satisfaction to note the results in that respect of Helsinki-2, at which Russian diplomacy promoted these theses in a most consistent manner.

Nevertheless, this effort obviously must be carried further.

> ***"Russia is not to be kept in the waiting room. She is a great power. However, in the world community, she is often shy, defensive or, still worse, copies others. In the West, Russia is seen as saying only Yes, as humbly tolerating slights, even insults. That cannot be tolerated, it's time to learn to say No!"***
>
> President **Boris Yeltsin**

At home and abroad

As I see it, it is the jingoists who obstruct the sophistication of Russia's foreign policy. In the West, the dangers of Russian nationalism, even chauvinism, are often stressed. Truth to tell, the danger does exist. God forbid that Russia's foreign policy be affected by this, although now and again her diplomats have a hard time, subjected as they are to pressure from various quarters.

I least of all desire to note the drawbacks of Russia's foreign policy. What I seek is to persuade my reader, including my reader abroad, that though we may be having a hard time at home at this present moment, we are having a hard time also on the international scene. Yet it is not only we who are having a hard time there.

Yet I am absolutely convinced that despite all the difficulties, Russia's policies vis-à-vis the world have acquired nowadays new opportunities along with the new problems. These opportunities are grand indeed, but have yet to be energetically exploited.

Firstly, Russia's new post-totalitarian reformist domestic policies accepting the "rules of the game" customary in civilized society, hold out absolutely unprecedented opportunitites of a kind we never had before, to genuinely and truly collaborate with the most advanced states and every international agency. In this sense the progress quite attainable in foreign policy directly depends on domestic policy.

The building up of new links with the former constituent republics especially in CIS countries, as partners enjoying priority would sharply enhance the image of each and would render Russia a good service. For her place and influence globally depend primarily on how successfully she cooperates with the "immediate abroad."

Further, do not new opportunities exist for collaboration with the East European states? Relations with these countries have already been renewed, which is illustrated by the recently concluded treaties. Yet let me note that thus far neither these countries nor Russia have shown enough imagination in exploiting the available advantages deriving from the long-standing ties, the "compatibility," even interconnection of their economies, which over the years so well adapted to each other. Though traditions, especially good traditions, do not automatically evaporate, neither are they automatically sustained, which must be done provided we do not want them to vanish.

Finally, the new geopolitik in Europe, which is changing the continent and its attitude to America also offers Russia unprecedented opportunities.

Between East and West

The current situation along with the foreseeable future will determine whether Europe is united, even after several by no means simple stages of transition, or again breaks up and return to what it was long ago. It is in Russia's interest for Europe to be one entity, for the community of countries stretching "from Vancouver to Vladivostok" to function as one integral organism. But before this can happen, Russia must be "seated" in Europe, as it were.

Hence all the more energetically is it necessary to exploit the opportunities that the building up of a united energy, transport, and information dimension will afford. Incidentally, it is also important to

make it simpler for Russians to come into contact with other nationals. We find it hard to understand when others interfere with that still common odd when we ourselves stand in the way, even though we have enunciated advocacy of the universally accepted "rules of the game."

Russia, by virtue of her geographical situation, her history and her ethnos is both European and Asiatic. I would say that precisely at this present moment is she ordained to serve as a bridge between not only East and West, but also between Europe and the new Asia, and to a certain degree between North and South. This is a terrific task, but what advantages it could afford Russia!

This bridge-building role is all the more important insofar as Asia is indeed changing. Despite varied forecasts, most analysts admit that in the next, 21st century, the Asian-Pacific region will become if not "the heart" of the Universe, then at least a most influential component of world politics. Those currently disputing relations with Japan are obviously blind to that. It is even worse at times when influenced by the egoistic interests of their own policy, of their struggle for "a place in the future world," they actually defy Russia's basic interests.

At this point I feel I must introduce the following necessary comment. Currently Russia speaks more and more often of partnering former opponents. While it is indisputable that the swing from confrontation to partnership represents a tremendous achievement, rooted, let me repeat, in the beginning of perestroika, scarcely should one forget that partnership by no means precludes a difference of interests, at times of a most solid nature. Our partners bear that in mind, as is illustrated well enough by foreign policy forecasts made in the United States or Japan. Consequently partnership is no idyll, but a struggle to balance interests. Are we always able to achieve that balance?

In the past, the Third World countries were for us what we then termed "stretegic allies." Now, though, for the first time they may become just good partners. But to secure that it is necessary to use imagination, to seek proper venues for mutually advantageous cooperation and commerce, among other things, by setting up joint ventures, but all on a unreservedly equal footing. Perhaps it would be worthwhile also giving thought to the building up of trilateral connections, that is between Russia, the Third World and the West.

In short, the new situation holds out new prospects. However, these prospects must be detected and exploited. Incidentally, that will also serve to cope with many of Russia's problems at home, among them those of consumer supply, employment and modernizaiton.

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The Coast of Hope

A well-known Russian writer Anatoly Zlobin has proposed a project for an unusual monument

Anatoly Zlobin has written about thirty books. However, his creative life is not limited to literature alone. Recently he has contemplated a project in another sphere. *The Coast of Hope* is the name of this project. Naturally, our conversation began with the question about what had urged him, a war veteran, to return to a military theme.

"The war has left its trace in our Fatherland's and world history for ever," said Anatoly Zlobin. But every man has his own memory of the war. About thirty years ago I revisited the sites of battles, hoping to find my dugout. Every soldier has his own dugout, and the reminiscences connected with it, as well as those connected with war in general, remain alive till the very end. Although some time ago the 'trench truth' was not favoured, I believe that there is nothing higher than it in our literature.

"During my trip I discovered that there is one more memory of the war which, perhaps, is the most stable: the earth's memory. The Russian land devoutly preserves the memory of her wounds caused by war. They are indelible: the land remembers and suffers.

"Thus, in a purely metaphoric way, emerged the theme of a coast as an immage of transition to a new state, a new stage of common human evolution."

"Does this mean that your project has taken shape thanks to a soldier's dugout?"

"Perhaps. I'm not alone: many veterans try to find their dugouts. But time is implacable, and therefore the idea emerged of recreating the battlefield as it was half a century ago. It needn't be very large, say, one kilometre long."

"It's a good idea. But I foresee a skeptical smile: we have so many urgent problems now, and you're proposing to engage in restoring old trenches!"

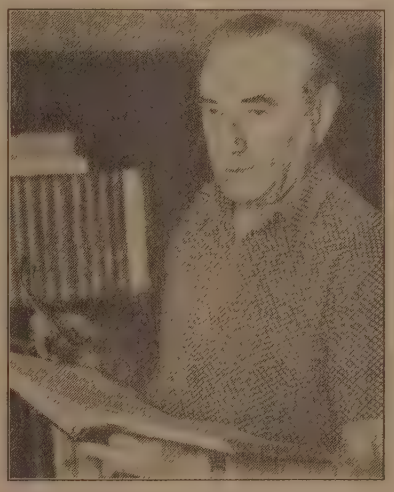
"Yes, and they would be right in a way. Urgent problems need urgent solutions, but they can't be reduced to searches for daily bread. Our education has been essentially militarist during all these decades. Every day we see shooting on our TV screens. And secondly: we constantly lack money and time to spend on history and culture. Sausages have taken priority over culture. If we had started with culture, there would have been enough salami too..."

"So your project *The Coast of Hope* also has an anti-militarist implication?"

"Certainly. A battlefield isn't a recreation park. The idea of anti-militarist education must become the cornerstone of our life, otherwise nothing will prevent us from fratricide. The memorial will include an exposition devoted to the history of WWII, but its leitmotif will be the idea of love for peace."

"Aren't you discouraged by the fact that there are already several organizations in our country which have similar objectives?"

"Now in the least. Because what is anti-military propaganda? It's a movement which is almost a hundred years old. And it's called pacifism."



"It's only today that the first sprouts of pacifism have appeared in this country. *The Coast of Hope* will be based primarily on anti-war pacifist goals. Yes, glory to victory! But also may war be cursed. It destroyed 55 million lives!

"To my mind, the paradox of that war, now so remote in time, was that there were neither victors nor vanquished. Both were equally deceived. Its tragedy is that it served totalitarianism, i.e. it worked against the victors."

"But let's return back to your project. Precisely in what place would you like to see it realized?"

"On Russian territory. Russia suffered the greatest losses in this war and her contribution to the victory was also the greatest. There are several suitable places: near Leningrad in the vicinity of the railway station Mga or the Sinyavinsky Morass, near the city of Rzhev or on the bank of the Lovat River near Staraya Russa. I fought on the frontline near Staraya Russa for two years."

"The theme of war victims and their memory will probably be reflected in your project?"

"It's not worth the trouble without it. I believe that it would be best to arrange an international competition for the best monument to the victims of WWII. The names which it will be possible to establish will be engraved in stone. The monument will be erected on the neutral land between the Russian and German trenches where all those fallen on the battlefield will find their last abode. This will be in fact the first international anti-war monument in Russia.

Then we'll have to negotiate with our German partners, because we're going to restore the battlefield in the minutest detail. We have set ourselves a noble task of turning a former battlefield into a field of peace and friendship. This will be a sign of hope marking the end of confrontation."

"Have you discussed this idea with your German partners?"

"I've visited Germany this year at the invitation of the Academy of the Bundeswehr and I've met young officers and war veterans. I shared my ideas with them. Their attitude was most favorable. In addition, I wrote a letter to German Ambassador in Moscow Dr. Klaus Blech in which I informed him about my plans. The answer came before long – the Ambassador applauded the idea of reconciliation between our peoples and expressed his confidence that we would find German partners willing to cooperate."

"And what about Russian businessmen?"

"I've talked to some. It seems to me that I've been understood. The project is, of course, a long-term one. However, we could complete its first stage by the 50th anniversary of the end of the war, i.e. in May 1995."

"And who will assume the organizational part of the job?"

"Certainly we'll have to start with creating an Organizing Committee. I have already tackled the matter, trying to unite people having different destinies and belonging to various creative trends. Naturally, they will be mostly war veterans. The writers Leonid Likhodeyev, Bulat Okudjava, Lev Kopelev, Alexander Putko, People's Artist Yury Mogilevsky and actor Vyacheslav Tikhonov have agreed to become members of the Organizing Committee. It would only be logical if representatives from the German side joined it. Then we will announce the creation of the Joint-Stock Society *Primirenie* (Reconciliation) and get down to work."

"The idea of the project, *The Coast of Hope,* seems worthy of great attention. If our readers in Germany or in other countries show interest in the project, where should they turn?"

"I'm the head of a small enterprise, a literary magazine *Russkoye bogatstvo* (Russian Wealth)."

"I wish you success!"

***Interviewed by* Albert PIN**

Sergei Khrushchev, 57-year-old son of Nikita Khrushchev, who single-handedly ruled the Soviet Union for nearly ten years, has decided to remain in the United States together with his wife. After work in an American university for a year, he asked the authorities to grant him a residence permit.

Out of respect for Nikita Khrushchev, his son's request was backed by Richard Nixon and Robert NcNamara, former defence secretary and former head of the World Bank.

At one time, Sergei Khrushchev worked with Academician Vladimir Chelomei, who designed missile engines. A candidate of technical sciences, he was in charge of developing control systems. His career in Chelomei's design office was interrupted by the ousting of Nikita Khrushchev in the autumn of 1963.

It was Sergei who persuaded his father to dictate memoirs. The reminiscences of Nikita Khrushchev, published throughout the world, threw light on events in the Soviet Union over several decades.

When the memoirs were revealed, Sergei Khrushchev was barred from work on missile engines and transferred to the Institute of Electronic Control Machines.

In his book, *A Pensioner of the Union Level*, Sergei described in a detective's manner the history of the overthrow of his father and his secret writing of memoirs which Sergei managed to keep from the KGB and smuggle to the West.

■■■

In the hope of finding something useful for Russian reforms in world experience, Prof. **Gherman Diligensky,** a noted political scientist and regular contributor to *New Times*, has organized a Moscow Centre for Comparative Socio-Economic and Socio-Political Studies.

At one time the young scholar specialized in the history of ancient Rome, but shortly afterwards he began to study present-day problems. Incidentally, acquaintance with the history of the fall of one empire probably helped him to understand more clearly the reasons for the breakup of another one, the Soviet empire.

In 1963, he began to work at the academic Institute of World Economics and Intenational Relations, one of the few intellectual centres where scholars were less ideology-bound. The author of five books, Diligensky was awarded the State Prize.

After *perestroika* was launched, like many other scholars concerned with international affairs, he devoted himself to Russian problems. In 1988, he became Editor-in-Chief of the *World Economics and International Relations* monthly, which has a reputation of a respectable academic journal.

The Centre for Comparative Studies, just as the Institute of World Economics and International Relations which gave birth to it, will conduct both fundamental and applied research in such areas as social policy, the social orientation of the economy, the shaping of a democratic political system. Those who are interested in serious practical recommendations, reference and analytical material, can get information by telephone at 128-17-09 and 128-19-12.

The admiral who sticks to his guns

Admiral **Igor Kasatonov** became well known during the dramatic conflict between Ukraine and Russia over the Black Sea Fleet under his command. Recently he was appointed First Deputy Commander of the Russian Navy. Simultaneously, he came forward as an election candidate from Krasnodar to the Russian parliament, with good chances of success.

Kasatonov, 53, is descended from a family of sailors. A graduate of the Black Sea Naval School, the Naval Academy and the Military Academy of the General Staff, he served at the Pacific, Black Sea and Northern fleets as commander of a battery and a ship, commander of a division and flotilla, and First Deputy Commander of the Northern Fleet. In September 1991, Kasatonov was appointed Commander of the Black Sea Fleet. Despite the new appointment, he remains commander of the fleet before the Rusian and Ukrainian Presidents agree on a new candidate to this post. He is married and has three children.

Igor Kasatonov adheres to a provisional agreement on the future of the Black Sea Fleet concluded between Russia and Ukraine on August 3, 1992. Only a single Black Sea Fleet could ensure the evacuation of refugees from Abkhazia. In the opinion of the admiral, the division of the fleet will disrupt such complex systems as navigation support and the search and rescue service, and create serious difficulties for the fleet personnel consisting of servicemen of different nationalities.

Kasatonov thinks that Russia, as a great naval power, needs a large navy for protecting its lawful interests in the Far East, on the Kola Peninsula, on the Black and Baltic seas, and for preserving the balance of forces in these regions. The upsetting of this balance he views as being fraught with unpredictable consequences for the world. At the same time, he is a staunch advocate of deep-rooted reform, envisaging a gradual transition of the fleet to a professional basis and modernization of its technology. But this is impossible to achieve without the financial and economic assistance of the state.

It was this cause which impelled Kasatonov to become a candidate to the Russian parliament from the Krasnodar Territory. In his campaign he had to measure swords with such rivals as former KGB general Oleg Kalugin, now a leader of the Democratic Russia movement, and a famous businessman, Konstantin Borovoi, who leads the Free Labour Party. Though Kasatonov failed, the experience of political struggle he gained during the contest will surely stand him in good stead.

Walter Boltz, 39-year-old businessman, heads a Vienna-based consulting firm, AWT, which maintains business relations with the East. As distinct from many of his colleagues in the business world who fear Russian instability, the absence of a reliable legal foundation and an uncertain alignment of political forces in Russia and other states of the Commonwealth, he considers the present time quite suitable for establishing mutually advantageous cooperation. In his opinion, now that a new economic mechanism is shaping together with a modern infrastructure, Western businessmen have favourable opportunities for investing their capital.

The AWT is carrying out a number of joint projects on the territory of the former Soviet Union. The largest of them is a conversion programme for ten large enterprises in St. Petersburg, the pride of its military-industrial complex for many years.

There is one other big project which the Vienna businessman has undertaken in earnest. Jointly with the United Nations he is planning an international conference on investment and trade in the Commonwealth states. For the first time in world practice, together with papers and speeches by leading politicians and specialists (invitations have been sent to Yegor Gaidar and almost all ministers in the economic sphere), the forum will be able to examine about 200 concrete projects which have already been looked over and are ready for practical realization.

"Spies" who weren't

After the Soviet archives were opened for public scrutiny, it was realized that absolutely all were agents of the Kremlin, and only one ceased to be considered a spy. Forty years after he had been charged with espionage for the USSR, **Alger Hiss,** 87, a former State Department employee, can consider himself acquitted.

Gen. Dmitry Volkogonov, President Yeltsin's adviser dealing with archives, reported that all charges against Hiss were unfounded.

The Hiss case was most scandalous in the 1950s. He was considered the most high-placed Soviet spy in America. He worked in the State Department since 1936 and was Roosevelt's adviser at the Yalta conference. In 1945, he was Provisional Secretary General of the just founded United Nations. In the photograph taken at a San Francisco conference, President Truman shakes his hand.

In January 1950, one of his acquaintances, a journalist from the *Time* magazine, said that Hiss was a Communist working for the Soviet intelligence service. The scandalous case helped the career of two politicians. Senator Joseph McCarthy, who headed the Un-American Activities Committee, organized mass purges in the State Department, while Congressman Richard Nixon, who assailed the "traitor," began his rise to the White House.

Apart from testimony by the former journalist, there was no case against Alger Hiss. Nevertheless, he was sentenced to a five-year imprisonment. He spent three years in prison and was released in 1954.

Since then Hiss has unsuccessfully tried to prove his innocence. Luckily, he has lived long enough to see that happy day.

■■■

"A counter-blow of the cold war." This is how Mikhail Gorbachev later described the arrest of American journalist **Nicholas Daniloff** on charges of espionage on August 30, 1986. A week earlier, Gennady Zakharov, a Soviet physicist working in the UN Secretariat, was arrested on a similar charge. Zakharov was threatened with imprisonment for espionage, and the KGB evidently decided to capture an American in Moscow who had no diplomatic immunity. It was Nicholas Daniloff, Chief of the Moscow Bureau of *US News and World Report.*

Nicholas spent two weeks in the Lefortovo prison. He then was safely exchanged for Zakharov.

Six years have passed. This story has been forgotten by almost everyone, with the exception of Nicholas himself, now a professor and director of the school of journalism at North-Eastern University in Boston. He came to Moscow again, this time for the presentation of his book, *Two Lives, One Russia,* just brought out by the Image Publishing House in Moscow.

In his book Daniloff recalls not only Lefortovo and doing journalism in Moscow. The author seems to exist in two time spaces, tracing back the fate of his remote ancestor, Alexander Frolov, who was a Decembrist. Nicholas' father, Lieutenant Danilov, was a son of a famous Russian general. He emigrated from Russia in October 1917 and settled in Paris. Nicholas was born in Paris in 1934. Since then he has written his name in the French way, with two "f"s at the end.

Nicholas says he bears no grudge against Russians. He lays the whole blame for the unpleasant incident on the KGB, which, he hopes sincerely, does not exist in its previous form. He also hopes to be able to visit regularly the homeland of his ancestors.

M.O.'s odyssey

An Austrian spent seven years in the GULAG. Soviet military counterintelligence tried to use her in a big game, but without success

"On their way back from business negotiations in Upper Austria, Dr. Peter Krauland, Federal Minister of Property Protection and Economic Planning, and the persons who accompanied him were arrested at the checkpoint on the Soviet side of the bridge across River Enns under the pretext of their identification papers being forgeries, and taken to the Sankt Valentin commandant's office. Fifteen minutes later, the Minister was told that his papers were in order, but Frau Doctor Margarethe Ottillinger's were allegedly forged. Dr. Ottillinger was detained in the commandant's office over the Minister's protests".

This report, carried by the Austrian paper *Wiener Zeitung* on November 6, 1948, opened the story of a tragical odyssey of an Austrian woman who went through the mill of Stalin concentration camps.

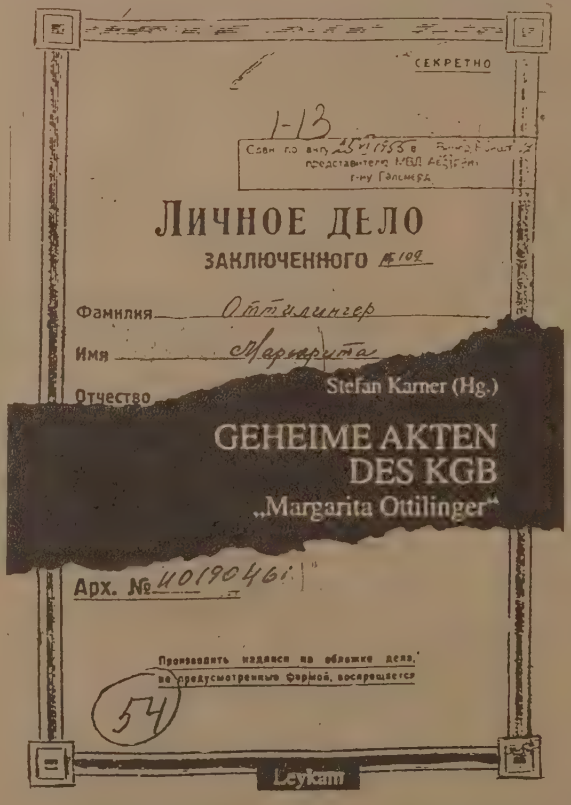
Who was Margarethe Ottillinger, and why did Soviet counterintelligence service pounce on her?

In 1945, Austria, like Germany, was divided into four occupation zones. The above-mentioned rapid River Enns, which has its source high in the snow-capped Alps, was a natural boundary between the American and Soviet spheres of influence.

In Austria, the cold war began to make itself felt much earlier than it did in other European countries. Secret services of the East and West – of America and the Soviet Union, above all – launched into vigorous action against one another. Ottillinger was a victim of that antagonism.

They really aimed at the Minister...

She was 29 when they got her. Despite her age, she headed a key department of the Ministry of Property Protection and Economic Planning which post-war Austria's entire economic life pivoted on. Margarethe Ottillinger owed that distinguished position to her profound knowledge and practical experience. At 21, she graduated from the Vienna University with honours, taking a doctor's degree in economics. Work in various private and government structures, the Federal Economic Chamber included, enabled her to make connections and to secure the support of influential figures, one of them being Julius Raab, the President of the Chamber who later became Federal Chancellor. It was on his recommendation that Minister Krauland hired her as an aide; in fact, the Minister regarded her as his right hand.



Stefan Karner, an Austrian historian, has written a book about Margarethe Ottillinger's concentration camp ordeals

In the opinion of Stefan Karner, a Graz historian, Krauland had a fatal role to play in his assistant's fate. The thing is that the contracts he maintained with the Americans clearly went beyond formal limits. Edwin Kretzmann, chief of the US intelligence post in Austria, often visited him at home and actually patronized him. Kretzmann and his subordinates regarded Krauland, not without reason, as "their man." Nevertheless, Karner maintains that the Russians could not make a grab at Krauland himself then, probably for fear of international complications. They just made a "warning shot" in his direction, making Frau Ottillinger their live target.

There was another reason why the young Austrian lady looked suspicious to Soviet military counterintelligence officers. In line on duty she was acquainted with Andrei Didenko, an engineer of the Soviet division of the Allied Commission for Austria, who was in charge of dismantling equipment at the steel plants which had been part of the German military-industrial complex, specifically at the plants of the Hermann Goering concern in Linz. In the autumn of 1946, Didenko decided to stay in the West and defected to the American occupation zone. Margarethe was suspected of having wooed the lady-loving engineer into committing this serious crime.

So she was detained in the Sankt Valentin commandant's office on November 6, 1948, and already on the following day the personal file of prisoner Margarethe Ottillinger (further referred to as M.O.) was opened with a report on "arresting an important foreign intelligence agent."

From M.O.'s reminiscences

"In the night of November 6/7, 1948, I was squeezed into a car and placed between two soldiers armed with submachine guns. A captain and a uniformed driver were on the front seat. I was delivered to the Soviet headquarters in Baden by way of Sankt Pölten and Wiener Neustadt. The automobile rolled into a gate with a red star on it and pulled up at a long barrack."

Dangerous to society

A thorough search was followed by endless and agonizing interrogations, interrupted by spells in a "standing cell" – a narrow basement cage without light and ventilation.

From M.O.'s reminiscences

"I suffered terribly, was haunted by hallucinations, and thought of suicide. An attempt to hang myself failed. The cord proved not strong enough. Having come to, I saw officers who bent over me and shouted me in the face: 'You are a criminal! You are an American spy! We shall make you tell the whole truth!' Since that moment on, guards were posted in my cell, relieving each other every two hours."

Homecoming: the happiest day in her life...

Three months later Margarethe was told that investigation into her case had been completed. Colonel Utyanov, Deputy Chief of the MGB counterintelligence division of army unit 32750, on January 13, 1949, endorsed the resolution saying that Ottillinger was "a person dangerous to society," and that upon being convicted she was to do time in a special concentration camp of the Interior Ministry of the USSR. At the beginning of February, 1949, the "spy" was transferred from a pre-trial detention prison in Baden to a transit jail in Neunkirchen which belonged to the State Security Ministry's counterintelligence administration of the Central Group of the armed forces. The case was transferred to Moscow and submitted for consideration to the Special Conference under the USSR State Security Ministry.

From M.O.'s reminiscences

"My clothes and underwear gradually wore out. One day an officer told me his Baden superiors had granted my request for permission to buy the things I needed for the money I had had on me on the day of arrest. Instead of a warm blanket, I bought some baby loose jackets for the Russian pregnant woman who shared the cell with me."

On April 11, 1949, the Special Conference under the State Security Ministry of the USSR examined her case in Moscow. The Conference found Margarethe Ottillinger guilty of espionage and sentenced her "to 25 years in a corrective labour camp, with November 6, 1948, to be taken as the first day of the term."

From M.O.'s reminiscences

"In the morning of May 13, 1949, I was suddenly summoned to the prison office. A political officer and a sergeant were waiting for me there. The latter took a few sheets of paper out of a folder and began to read from them. 'I don't understand,' I said, using one of the Russian phrases I had learned in prison. In a few minutes, Grisha, the translator, turned up – also a prisoner, he was in a privileged position working as a linen-keeper and a barber. He started translating the papers for me. What I heard from him was the worst of what I could expect: 25 years of forced labour! I had a hard time taking myself in hand. The political officer made another attempt to extort a confession from me that I was an American spy. I asked him whether I could appeal against the sentence. 'Yes, you can,' he replied, 'but only in the Soviet Union.' Then I was escorted back to my cell. The figure 25 kept turning in my head. That was an incredibly long time to spend in jail! I thought about my family, my father, mother and brother who had just returned from a Russian POW camp. Was I ever to see them again?"

Paradise turns hell

After the sentence had been passed, her long "tour" of the immense GULAG's concentration camps and prison began. It started with a cattle boxcar, or rather with a barred-off section of it Margarethe and six other women were forced into. After a stopover in Lvov, the train rolled on further east, to the notorious Dubravlag camp surrounded with swamps and woods.

In the camp she was assigned to the job of sorting out potatoes. Hunger compelled her to exert herself beyond her strength to fulfil enormous daily work quotas. Those who tried to steal a couple of potatoes were locked in the punishment cell for the night. Then she was transferred to a sewing workshop. Conveyer-belt work also demanded an all-out effort. Monotonous slavery was suddenly interrupted by a summons to Moscow.

From M.O.'s reminiscences

"An unlit Black Maria delivered me from the railway station to an unfamiliar building. I was escorted along several corridors, up a stairway and into a room which, after camp barracks and plank beds, struck me as luxurious: real furniture, rugs. Polite guards called me by my surname. The meals were served right to my cell. There was hot water in the toilet. In a word, the inner prison of the KGB headquarters in Lubyanka could have seemed paradise after the Dubravlag but for one thing: they didn't let me sleep a wink".

Exhausting interrogations, accompanied by all kinds of humiliating procedures, began. In particular, she was sent to a gynaecologist who drew up a statement to the effect that she was not a virgin... The investigators still tried to prove her direct involvement in the Didenko case. That could furnish a pretext for a revision of the sentence: capital punishment, rescinded by the time of her conviction, was back again.

Lubyanka interrogators gradually lost interest in Margarethe and finally transferred her to the Butyrki prison. It was less comfortable, but the treatment she got there was less severe, either. The "spy" fell ill: dysentery and high temperature emaciated her completely. After a few weeks in the

...although she was carried out of the train on a stretcher

prison hospital, Margarethe, who didn't yet fully recover from her illness, was transported to Potma.

From M.O.'s reminiscences

"I arrived in Potma so ill that my only wish was to crawl into a corner and die there – death alone could bring me deliverance from further transportations and questionings. They admitted me to the tuberculosis ward of the central camp hospital although I did not suffer from tuberculosis yet. What really mattered was that they left me alone."

The respite did not last long. An officer on duty told her to make ready for a journey. They took her to Moscow again. In a Lubyanka office, the same investigator recommended her to confess to "spying" – but with the same result. She applied for a revision of her case, but on February 15, 1952, the State Security Ministry of the USSR turned down the application. She was still forbidden to correspond with her relatives in Austria.

Margarethe was sent back to Potma, to the tuberculosis ward of the Dubravlag hospital. Her physical condition was getting steadily worse.

From M.O.'s reminiscences

"One morning in September, I was ordered to make ready for a journey again. Even the doctor advised against transporting me in such a state. Presently I learned the reason why they had to move me: an officer came over with a folder under his arm. The folder contained a document saying that instead of the corrective labour camp I was to serve my time in prison."

She was taken by train, by way of Moscow, to Vladimir – to the notorious Vladimir political prison where many well-known personalities had done time. Margarethe was placed in a large well-lit cell with 12 beds in it, only half of them occupied. Newspapers, even though three months old, were brought in almost every day. Therefore, the news of Stalin's death was exactly three months stale as it reached Margarethe and her cellmates.

Home on a stretcher

From M.O.'s reminiscences

"A new chief, young and very personable, appeared. Something must have changed radically to cause the replacement of the captain, a political instructor of the old school, by a man like that. He had fresh newspapers sent to us which helped us keep up to date with the news. He asked me, to my great surprise, whether I agreed with the sentence passed on me. I certainly disagreed with the sentence, but the attempts I had made over the previous four years to have the case re-examined were of no avail. 'Try writing another application, this time not to the State Security Ministry, which is no more, but to the Interior Ministry,' the chief advised me. I did that on the same day."

The reply was rather long in coming. As late as in March 1954 she was informed that her case had been sent for verification to the Baden-stationed Soviet Army unit the counterintelligence division of which had arrested her. In another year, she was granted, at long last, the right to correspond with her parents. She didn't have a chance to use this right however – on April 21, 1955, the Presidium of the USSR Supreme Soviet set her free.

In parting, the chief wished her bon voyage. Her watch, rings and bracelet were given back to her. But the train took her east again, back to Potma which had been converted to a repatriates' camp. It was overcrowded with men and women on their way home who waited for their papers to be made out.

From M.O.'s reminiscences

"In the camp, I fell ill again and found myself in the hospital. However, my desire to go back home as soon as possible overpowered my indisposition. I was carried on a stretcher into a Moscow-bound train."

She returned home on June 25, 1955. Two hefty stretcher-bearers carried her out of the car. Those who had come to welcome the ex-prisoner home showered her with flowers.

Her health had been undermined and, besides, she was all but black-listed in her own country. "A woman from over there" was denied reinstatement in her former office at the ministry, and pensioned off at an earlier age than usual. The Federal Economic Chamber, where she used to have many connections, also denied her a job. Finally, she found employment with the Austrian Oil Administration where she worked until she reached the pensionable age in 1982.

The Consular Department of the USSR Embassy in Austria informed her that by its Decree of June 15, 1956, the Presidium of Supreme Soviet of the USSR had expunged her conviction.

Doctor Karner, the above-mentioned scientist of Graz, did what no one had accomplished before him: he published the Ottillinger case in full, supplementing it with a German translation of the documents and commentaries contained in it. He did that at a most opportune moment. Beginning with January 1, 1993, every Austrian – or his next of kin, if he is no more – who has done time in Stalin camps and prisons, will have a chance to acquaint himself with the file kept on him. As Karner put it, the M.O. story may serve as a guide to the past, to the horrible past.

Anatoly Kovrigin
NT correspondent
VIENNA

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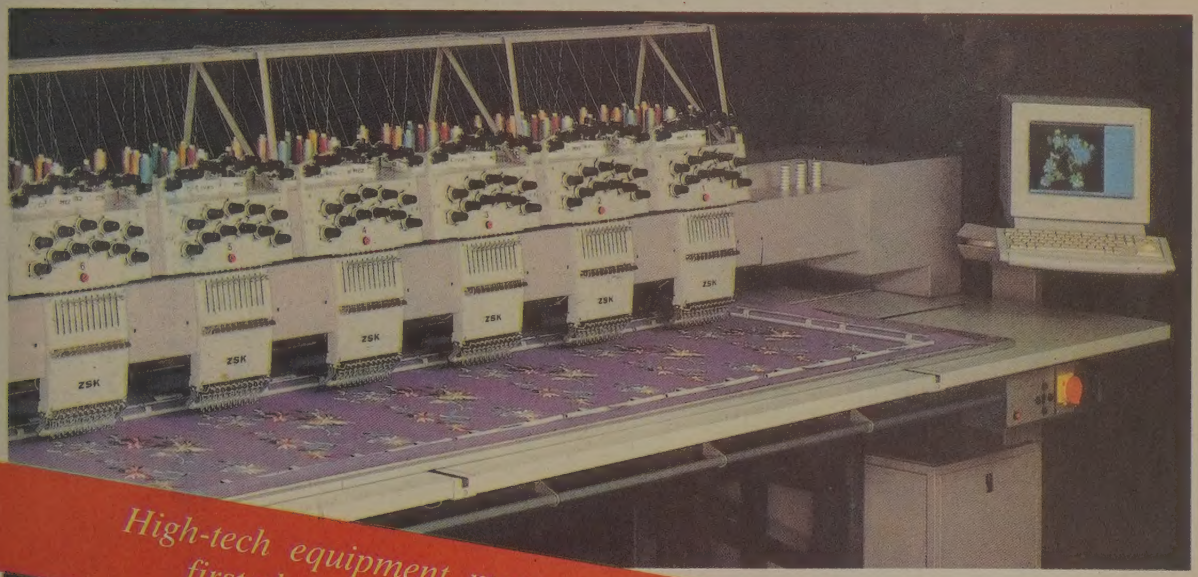

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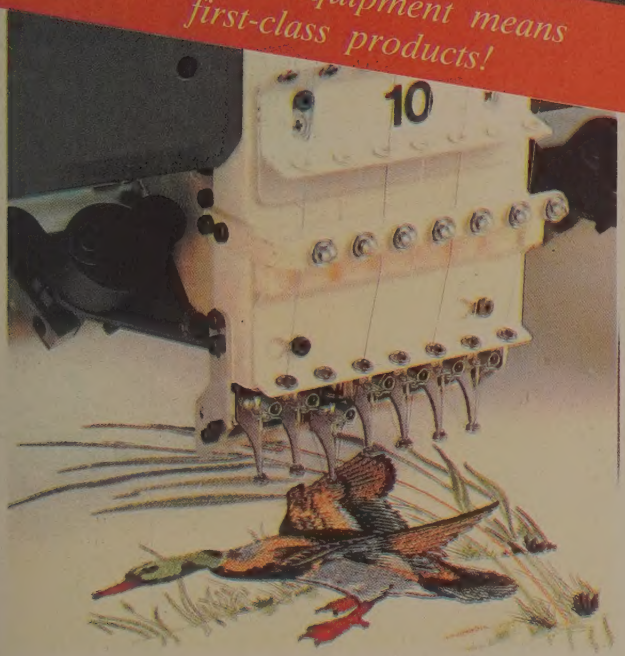

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